DAILY MARKET LETTER

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NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

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141 W. JACKSON BLVD.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 February 28, 1952

Senator Walter George, Chairman of the Senate Finance Committee, recently said: "I am convinced that we already have reached the point of diminishing returns, so far as the income tax is concerned, and that any further revenue to be raised must come from an entirely new form of taxation...." There can be little doubt that the American economy has undergone a great change during the past few decades. For example, in 1915, a family of four with a net income of $5,000 paid only $10 in federal income tax. In 1940, the tax on the same income had risen to $74.80, but under the 1952 laws the tax is $577.20. While this is a great burden to people in moderate circumstances, the great difficulty is that the rich are no longer soakable. This is not solely our conclusion but we have before us some rather interesting figures that were prepared by the staff of the Joint Committee on Internal Revenue Taxation of the Congress. This data shows that if the government intends to extract substantial new revenues from the people for federal spending, it must look to other sources than the upper income groups to obtain them. The figures reveal that the steep tax rates now in effect have just about dried up these once abundant sources of revenue. If the government were to confiscate all taxable income earned by individuals in excess of $10,000 a year, the additional tax revenue would amount to $3.1 billion. This would be enough to run the government for two weeks under the proposed 1953 spending program. If Uncle Sam were to confiscate all taxable income earned by individuals in excess of $6,000 a year, the revenue increase would be a little less than $6 billion. It would only pay for about half the $10 1/2 billion which the President proposes to spend for Foreign Aid alone in 1953. If the government were to confiscate all taxable income earned by individuals in excess of $26,000 a year the increase in revenue would be only $637 million. This additional sum would be enough to finance barely three days of federal operations under the $85.4 billion budget. Thus it is quite clear that unless a sales tax is invoked or some other method is found of extricating funds from the people, the great burden will henceforth fall on those in the lower brackets, unless great economies are effected.

When our market opened this morning wheat was firm and soon after it developed that about 250,000 bu No. 2 red winter wheat had been sold for immediate shipment from Chicago to meet an early loading of a steamer at the Atlantic seaboard. This wheat had the advantage of grain in the East that would have to be accumulated over a period of time, but it lessens the supply in Chicago and seemed to strengthen March wheat in relation to the later deliveries.

The Australian wheat crop was estimated at 160.3 million bu compared with 183 million a year ago. Acreage showed a decline of 1 1/2 million, and according to Broomhall there was a switch from wheat to sheepraising; apparently prices are not satisfactory to farmers in that country. Since home needs will absorb about 80 million bu, it leaves approximately the same quantity for export.

Flour business was very dull and some bakers are supplied at least through March with many already covered for a good part of April. Thus there is no urgent demand at the moment. Some export business is expected shortly to Germany and Chile is also a prospective buyer but generally speaking recent business has been light, although weekly clearances of 8 million bu were substantial and the total since July 1st is 293 1/4 million bu compared with 164 1/2 million last year. Corn exports were a little over a million bu for the week, and since October 1st have totaled 31 1/2 million vs. 50 million a year ago.

Primary movement of wheat was a little heavier with 1 1/2 million bu received compared to 922,000 last week and 1.1 million bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 55,000 bu.

Volume of trade was rather small after yesterday's large business. There was not the urge to liquidate, and, indeed, fairly good recoveries were noted in wheat and in beans at times, but corn was in a different category, and with 242 cars in Chicago the yellow cereal had difficulty in maintaining even moderate rallies. Corn in the country is selling 6 to 7¢ a bu higher than the loan but those farmers who have not liquidated yet probably will not be overly anxious to sell out on this break, and considering that we have had a 20¢ drop in prices it is our belief that after confidence is restored corn should do better.

Tomorrow will be the first day for tenders on March contracts. Probably some hesitancy has been due to this factor and new investment buying generally was rather light.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 February 29, 1952

The French Cabinet fell but apparently this had little effect on world markets. We spoke yesterday of the high taxes in this country but apparently the situation in Europe is even worse, and this is probably one of the most damaging factors in bringing about recovery. It is not only corporate and individual taxes that are so bothersome in Europe, but the indirect taxes which penalize anyone trying to save money. In the U. S. about 15% of the federal tax revenues come from indirect taxes. In Britain it is a little over 50%; in France 75%; and in Italy probably 85 to 90%. All these taxes are added to prices so one can easily imagine what happens to the cost of goods. The point is that the average European buyer can afford very little in luxury lines, and a white shirt in Europe, if obtainable, costs almost twice as much as it does here. Moreover, the average European income is between one-half and one-fifth of the comparable American level, so that all in all the situation there is very bad. One of our friends who just returned from abroad explained the situation by saying that there is security for old age, security against sickness, against maternity, against a cold, against everything. Indeed, there is only one security missing, and that is, to get anywhere in life or to improve one's condition beyond earning the absolute necessities. The depressing condition is that no improvement of one's standards seems likely. Ina country like France, inhabited by the most self-contained people of the western world, 25% of all adults are registered for emigration; one out of every four Frenchmen wants to quite France. This in our opinion is the most disturbing index of emotional trouble in Europe.

When our market opened this morning prices were a shade lower and some moisture had been received over parts of Kansas and Nebraska, with as much as 8 inches at McCook, Nebraska, and 4 inches at Norton, Kansas. The precipitation was mostly in the northern and western sections of Kansas, and very likely more snow will follow today and tonight over central, western, and northern Kansas but not much, if any, precipitation is indicated for the Texas Panhandle nor for Oklahoma. Neither is the five-day forecast very optimistic in that respect. However, there was a little more constructive news in that Germany had taken 2 1/2 cargoes wheat, and we understand it was mostly Northern spring to be shipped via the Atlantic, but also, 73,000 tons milo, which apparently has had a little stimulating effect on the market, although not too many hedges were lifted.

There is presumably further business pending with Chile for a purchase late today, also Austria is to enter the market within a week and a continuing interest prevails from India, all of which may prevent any sharp declines in our market. Canadian exports of feed wheat to the U. S. for the past week were 321,000 bu,bringing the total to 24 million bu since August 1st compared with 9 million a year ago. Exports of Canadian wheat and flour to all destinations amounted to 177 million bu compared with 116 million a year ago.

Primary receipts of wheat were 1,164,000 bu; last week was a holiday and last year receipts were 860,000 bu. Kansas City and Minneapolis stocks so far this week show a total decrease of 61,000 bu. When the visible supply of wheat is posted on Monday it will compare with a shrinkage last year of 3 million bu.

Wheat, which had been rather strong yesterday, was held mainly by higher corn prices, despite heavy corn receipts estimated at 308 cars. The yellow cereal did quite a little better, possibly deliveries were disappointing, and only 350,000 was tendered, although more may be put out later in the day. There was also 545,000 bu wheat delivered and 3 1/4 million bu oats. With the exception of oats deliveries were probably somewhat less than expected, and as a result there was no great weakness for the nearby futures. Milling demand was still slow and it seems difficult to place many new orders.

Late in the day Norway was reported a purchaser of 6,000 tons corn and milo, shipment via New Orleans, and India may buy Pacific Coast wheat tomorrow or possibly the first of the week.

The Santa Fe crop report said that conditions in the Southwest were good to excellent in most of the middle and eastern sections of the territory but generally poor in the west and southwest. Moisture supplies over about two-thirds of the wheat belt would indicate that a rather large crop is in the making. However, the picture is somewhat muddled, not only by dry weather in the far west, but also by uncertainties over possible insect damage and plant disease. Oat futures strengthened.

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CHICAGO, 4 March 3, 1952

After the close of the market on Friday, new parity prices were announced by the Department of Agriculture, with wheat rising to $2.46 a bu, up a cent; corn $1,78 a bu, and other commodities were slightly higher or about the same as the month before. In any case the index of prices paid by farmers rose slightly and reached another new high on February 15, 1952. The increase was due to higher prices for production goods; retail prices of commodities and services used for farm family living averaged the same as in mid-January. February contributors were chiefly the increase of motor vehicles, field crop seeds, and feeder livestock. However, average prices paid for farm supplies, machinery, motor supplies, and feeds also registered some gains.

Not much attention was paid to this factor and while the loans will finally be based on parity for most commodities and certainly for the basic ones, there have been other factors that had been a little on the bearish side, particularly the change in the weather, which has brought considerable moisture to parts of the Southwest and has even imparted further precipitation to other parts of the country where the rains or snows were not immediately needed. Our own forecaster was quite definite on Saturday, probably more so than the offcial, and looked for rather general relief including Texas. We find the South Plains of the Texas Panhandle were not benefited as much as other sections of the country, although Amarillo, Texas had nearly .40 inch moisture during the past two days. The Oklahoma Panhandle was covered with snow, and in fact, early reports this morning said that it was continuing to snow in many places, Alva in particular reporting that it was difficult to see across the street, and generally speaking southwestern Oklahoma had good rains with heavy winds and electrical storms. Enid had .30 inch moisture Saturday night and the ground today was covered with 1/2 inch to 1 inch of sleet, so that at least part of this dry territory has been benefited. Farther North there was splendid moisture over many parts of Kansas and Nebraska and naturally the market responded to the improved crop outlook although at the start quotations were only a shade lower than on Saturday.

There is a fair amount of grain being tendered on March contracts, but not very much wheat, and one of the large mills that had previously accumulated supplies seems to be in the same position this time, all of which is raising the question whether Chicago stocks will be further depleted, and whether sales will be made from here to other parts of the country for consumptive purposes.

There was some export business reported but in the early trade nothing from this country, Western Germany having purchased 40,000 tons Argentine millet, and also 1 1/4 million bu Argentine barley. Some Manitoba wheat was sold via the Pacific Coast but apparently Austria and some of the South American countries have not yet come into the market for the supplies that were spoken of the latter part of last week.

Hardly any attention was paid to French political news. Mr. Reynaud failed to form a new cabinet and the outlook in the meantime is rather grim. Life in France is difficult and the little man, while practically having a guaranteed job, finds it an arduous task to make ends meet, even though he is provided with food at artificially low prices; his home is primitive but rent is ridiculously low. In Paris he may have a two-room apartment if he is under rent control for as little as $3 a month. Of course there is no plumbing except the kitchen sink, nor is there any telling when the building may fall apart because landlords with such low rents find it impossible to make even necessary repairs. As the Le Monde, a Paris newspaper, put it the other day, "We are all supposed to become austere. That means for Britain: one slice of meat per month; for France; one suit of clothes for three years; for the U. S.: one television set per house. The Europeans clamor for much more American sacrifice -- if America wants armaments."

The visible supply decreased 3 million bu, and total stocks are 124.6 million bu compared with 183 million bu last year. Chicago showed a decrease of 414,000 bu, reflecting the sale of red wheat to an exporter last week. Corn stocks increased 336,000 bu, and oat stocks decreased 847,000 bu. Here in Chicago there was an increase of 761,000 bu corn. Apparently some of the barges that came through the locks have been unloaded.

The government tells us that 210 million bu wheat was impounded up to end of January, but we doubt whether this is the final figure. There was no report on redemptions.

Markets were generally weaker. Chicago corn receipts were quite heavy at 366 cars estimated. Milling trade is still slow and further moisture reported during the session indicated that while the relief was not complete it was at least general and for the most part very satisfactory. UHLMANN GRAIN CO.

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CHICAGO, 4 March 4, 1952

There was not a great deal of grain news overnight but the trade scanned weather reports to find additional moisture over parts of the Southwest. This was mostly in the form of snow over central and eastern Kansas, but this morning clearing conditions had set in, although our weather man sees the possibility of another low developing so that more moisture may be reported toward the end of the week. Precipitation has also been heavy over po rtions of Iowa, Missouri, and East of the Mississippi river, so that taking the country as a whole we have had great improvement since last Saturday.

Export business during the past week has been very light but this morning Austria was preparing to buy 2 cargoes U.S. wheat and the purchase may be made tomorrow, while Germany will probably take 40,000 tons coarse grains. Due to the heavy orders that were placed earlier, our clearances will probably keep up for some time yet; in fact, there is talk in Washington that possibly total shipments of wheat and flour may be larger than the 425 million bu which they had estimated earlier. Grain supplies in the four principal exporting countries were estimated at 155 million short tons on January 1, 1952, which was about 6% less than the total supply of 164 million tons a year earlier. However, it was 6% above the average of 148 million tons for the five years ending with 1951. The reduction from last year was about evenly divided between wheat and corn, while the increase over the average period occurred mainly in barley and oats. Actually there would be no big drain on the U. S. supplies were it not for the fact that a large part of the Canadian wheat was still in the fields, and in fact, other grain is still to be harvested in spring but transportation difficulties have added to their problem.

Here at home we still find poor prices being paid for oil while meal for old-crop position holds at ceiling levels. It is quite a different picture from a year ago when oil was in great demand. As a matter of fact, the U. S. exported a record volume of soybeans and soybean meal in the calendar year 1951. Based on soybean equivalent it amounted to nearly 77 million bu, equal to over one-fourth the record production in 1950. Last year's exports exceeded the previous high of 61.9 million bu in 1949 by almost one-fourth the 50.2 million shipped in 1950 by over 50%. This year with large stocks of olive oil in Spain and Italy, there is not the demand from abroad, and consequently, prices of bean oil on our market are less than half what they were at this time a year ago.

Primary receipts of wheat were 1,187,000 bu compared with 1,239,000 bu last week and 852,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 65,000 bu.

Trade was not particularly heavy, but in spite of the fine moisture that has fallen recently there was a little firmness at times. It is probably due to the possibility that unless prices rise there may be large quantities of wheat left impounded, and that, therefore, stocks of free wheat at the end of the season will be small. We doubt very much whether any of the recent buying has been due to commercial demand, as it remains very quiet. Flour business for both spring and soft wheat varieties is about as slow as we have seen it in many weeks. According to The Southwestern Miller, mills almost with exception report a slow inquiry, and the trade remains in a distinctly waiting mood. This is true even for some of the large bakers, who will be out of flour toward the end of March or early in April.

We find also that with high taxes, there is not the same incentive to assume any great risks. Actually many firms are finding it increasingly difficult in view of taxes to provide sufficiently attractive awards to compensate top executives for the worry, strain, and energy expended in the arduous task of management. This is so often overlooked in countries where large sums of money are needed in taxes, but in the final analysis we have seen already what it has done to business in France, Britain, and elsewhere. It is quite evident that any further substantial increase in taxation would have grave consequences. Still higher levies of the wealthy would result not only in diminishing revenue, but would tend to destroy incentives for risk-taking.

There was not much corn offered from the country, and as a result prices were able to slip a little higher, as there was no pressure from new hedges put into the pit. On the other hand, eastern demand is still slow, while distillers are not aggressive, and all of this seems to discourage much speculative buying. However, artificial factors of government supports are still to be reckoned with, and we are not getting any of the sharp recessions in markets which might otherwise occur.

The oat market turned strong, and this sometimes is a barometer.

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CHICAGO, 4 March 5, 1952.

The carryover feeling from yesterday was a little bullish probably for the reason that the market had behaved better, and recoveries in coarse grains, while not too inspiring, at least showed that possibly a reversed tendency might be expected. We have pointed out on several occasions that corn has broken about 20¢ a bu. A few weeks back that cereal hardly had an enemy. All those who were trading on the constructive side of the market were convinced that it was merely a question of time when the ceiling would be reached. The evidence was fairly conclusive in that we had raised less than the year before. We had also carried over a smaller quantity and from all indications with the large number of animals on hand it looked as though a shortage might develop before end of the season, at least based on the free supply. It is true that the government is offering some of its corn for sale under various conditions, but it apparently took more than that to bring about the needed adjustment. Apparently supply and demand did the trick again as is so often the case. Hogs were at low levels, the price of corn was high, so that a feeding ratio of about 9.5 was not much of a guarantee to the farmer that he would be well off if he continued feeding with the result that large amounts of corn were marketed. Likewise, the animal population was reduced, and here again we find factors in a free economy working well. There was probably another factor also: namely, the large percentage of wet corn that could not be kept on farms, and it was a depressing influence, although we may have seen the worst of that, and today's receipts in Chicago are somewhat lighter, but it may be due to the heavy snows which prevented larger marketings. In recent days we heard almost as much pessimism as there was optimism when prices were near the $2 mark. However, a happy medium seems apparent, and we were never quite as much impressed as some of our friends that the carryover at end of the season would be cut to dangerous proportions.

It was reported this morning that Germany had bought 43,000 tons milo for March-April shipment. Strangely enough, not many hedges were covered in the pit, but we doubt whether the market has grown to such proportions that such a quantity could easily be covered if hedges had to be lifted.

The forecast is for some moisture in eastern Oklahoma and eastern Kansas with another barometric low developing in the West, which may bring some light rain or drizzle to the South Plains of the Texas Panhandle within the next thirty-six hours. In spite of the improved crop outlook for wheat that cereal also did a little better this morning with sentiment generally more friendly. There is not the inflationary fear at the moment that we have experienced at other times. Indeed, some are of the opinion that we may not spend as much as $85 billion which the President had asked for in his January budget. Nobody contends for one moment that either private business or governmental bureaus can be operated as cheaply today as they could ten years ago. On the other hand, even with the Korean situation and the other difficulties that will have to be encountered, there seems little justification for non-defense departments of the federal government increasing their expenses ten to fifteen-fold during the past ten years. Several outstanding authorities have suggested that we might save from $7 billion to $10 billion but such figures are brushed aside and their opponents are ridiculed publicly. Probably in no period of American history has there been less effort on part of those charged with public duty to bring about a sounder financial status for the country. During the past seven years this administration has spent $327 billion, and as a result we have the heaviest tax load ever forced upon our people.

Primary receipts of wheat were 567,000 bu compared with 669,000 bu last week, and 456,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 336,000 bu.

Markets started off witha firm undertone, and we believe higher prices for corn helped to rally other cereals. There was not much demand for wheat, although there was little pressure on the market, and we do not believe that redemptions are possible either Northwest or Southwest at the present time. There was a little overnight flour business, but trade generally is still quiet, although there may have been some flour sold yesterday for export. We believe there is also some wheat being sold to South American countries, which is quite possible in view of the poor crops in the Argentine. Offerings of corn from the country are very light, and the yellow cereal displayed a rather firm undertone, although with some profit-taking best prics did not hold.

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CHICAGO, 4 March 6, 1952,

Weekly shipments of wheat and flour amounted to slightly over 7 million bu and the total for the first 8 months of theseason has been 300 million bu compared with 178 million bu a year ago. If the same rate would be continued for the balance of the season, we would ship 450 million bu, but if there is a slight recession and only about 7 million bu is cleared each week, we would have a total business of about 425 million bu. Thus it can be seen that the amount is a good deal larger than was anticipated earlier in the season but many things have arisen to account for the increase. First of all, Canada had a good deal of its wheat unharvested, which had to be kept on the ground during the winter months, but even if the grain had all been threshed and harvested there might have been some difficulty in getting it to the seaboard due to the bottleneck at the head of the lakes and inability to get much more out via the West Coast at Vancouver and other ports. Nevertheless, we can foresee now that possibly the carryover reserve will be something like 275 million bu, which would be quite a reduction from the 395 milion carried over on July 1st of last year, but still it would be somewhat more than the ten-year average of 235 million bu prior to the war. We also had deterioration to such an extent in Argentina and Australia that the demand for U. S. Grain improved, and for example, since last August Australia has shipped only 59 million bu wheat compared with 74 million bu a year ago, while Argentine shipments of wheat and flour dropped to 22 3/4 million bu at the same period compared with 51 3/4 million bu a year ago. Russia shipped about 5 million bu more but this was not much of an offset.

As for our own exports, corn shipments last week were 1.6 million bu and since October 1st, 33 1/4 million bu has cleared compared with 52 3/4 million bu a year earlier. Since October 1st, 9 1/2 million bu soybeans were shipped compared with 15 million bu a year ago, while clearances of oats have been almost negligible. Last week nearly 2 million bu milo was exported and since that time the engagements to foreign countries have been large; apparently the latter cereal is receiving preference over corn due to relative cheapness.

There was nothing much in the overnight weather; while considerable cloudiness prevailed over the grain belt, precipitation did not amount to much in any section of the country. It does look as though we would get some rain or snow in western parts of Nebraska and western parts of Kansas, but the outlook is not too good for any additional rain over the Texas Panhandle.

The Department of Commerce in making its report on the amount of ice on the Great Lakes suggests that the thickness is generally much less than ordinarily at this time of the year. Areal ice coverage of the lakes has resulted in a better condition in harbors due to shifting winds. The probable opening dates of navigation may be given in another week when February temperature averages are available and more complete reports are received.

Austria bought 2 cargoes spring wheat overnight and a cargo ofhard winters, This did not have too much immediate effect on the market and actually the early response to a higher corn market was not too satisfactory probably for the reason that flour business was still quite slow, and according to The Southwestern Miller there is no consistency in the demand nor any real evidence of substantial improvement in volume.

Primary receipts of wheat today were 813,000 bu compared with 1,564,000 bu last week and 774,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 473,000 bu.

Markets were not particularly active, but there was a fair advance in corn, which finally helped other cereals. The spot basis was unchanged from yesterday on the better type corn samples. However, offerings from the country were not heavy, but at the same time the demand east of here is still very slow, and offerings from Ohio and other eastern states to the Seaboard are apparently cheaper than those from Chicago. During the session there were a few reports of snow in western sections of the Southwest. However, there is no longer the crying need for moisture, except in the dry sections of Texas, where we are going to require more than the usual precipitation to make up for the sub-soil deficiency. Beans were strong and the nearby delivery is still commanding a big premium over later months.

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CHICAGO, 4 March 7, 1952.

President Truman appealed to the Congress yesterday not to cut his $7,900 million Foreign Aid Budget. As he put it, the huge appropriation is needed to meet the Soviet threat against the survival of civilians. In the evening he broadcast the same plea to the American public. Thus we can foresee the necessity of keeping taxes high unless we wish to encounter further deficits. Not only is the federal government going to spend a large proportion of each person's income, but is also absorbing about 81% of all taxes collected. This leaves only 19% for state and local governments as compared with 61% for these units in 1939. In other words, the federal government has entered the tax field to such an extent, so that smaller proportionate funds are available for state and local government, and it is difficult for most of them to continue their regular activities. Of course, the situation has been relieved by federal grants to take care of highways, public welfare, schools, health, and the like, but unfortunately in doing so the federal administrators dictate to quite an extent as to how the money shall be spent; thus money collected from the people of the States does have some strings attached. Many states are opposed to this system, and would much prefer to do their own financing according to their requirements, but are no longer able to do so.

The mercantile business in this country has shown some recession, and department stores report sales were off slightly from December, seasonally adjusted, but for January were 14.4% below a year ago. At the same time January sales at retail were 4.2% above the 1951 low last July.

When our market opened this morning the carryover feeling was slightly bullish, particularly in corn and oats, but it likewise had some influence on wheat. We did not hear of any export sales overnight, but a few minutes after the bell tapped there was quite a little short covering by a house presumably with west-coast connections, and this found the market bare of offerings for a time as trade was not particularly heavy. There was no moisture to speak of, although central and western Kansas reported a little sleet and freezing rain. However, most of the area was dry, and there does not seem to be much precipitation in sight, although possibly light rains will visit western Texas tonight or Saturday. As we have stated before, there is no crying need for moisture, except that Texas is still very dry, as subsoil deficiency should be made up if we are to have much improvement over the December prospects given by the government when a crop of 40 million bu of wheat had been estimated.

According to The Southwestern Miller, there was a further drop of 2¢ a bu in Canadian class #2 wheat. This makes a total decline of 6 to 7¢ during the past few days, and points to increasing competition for non-subsidy business by the Dominion Wheat Board. Their selling was still being influenced to a large extent by transportation difficulties not to mention the large quantity of wheat which still remains in the field, and which could not be harvested last fall.

Primary receipts of wheat were 958,000 bu. This compared with 1,164,000 bu last week, and 817,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 584,000 bu. When the visible supply is posted on Monday it will compare with a shrinkage last year of a little over 5 million bu.

Wheat had a better undertone during the early part of the session but toward the last there was general liquidation. We believe it started in beans with the March delivery losing some of its premium over the distant months. When selling came into the pit there was very little support in wheat and the close was at a slight decline from the night before. Corn prices did not hold their entire gain but yet the market was firm during most of the session, and it never receded quite to the previous day's closing figure. As a matter of fact selling from the country is not heavy although there was a little inspiration at one time when the hog market improved after yesterday's sharp break. There seemed to be some commercial business in the pit and a few hedges were removed but there is still not much reported in exports. Canada sold 7 cargoes barley, which again proves that we may have to face some Canadian competition. On the other hand the Argentine corn crop is turning out poorly and may only be about one-third or one-fourth as large as before the war.

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CHICAGO, 4 March 10, 1952.

The weather map on Saturday had been somewhat unsettled, but there was not very much moisture anticipated. We find this morning that rain and snow was quite general over the Southwest, probably the heaviest fall being reported at Ponca City, where there was over 1 1/2 inches. There were several other spots in Oklahoma where 3/4 inch fell and several places claimed it was snowing hard, with the ground covered. This, of course, is most desirable coming at this season of the year. Amarillo, Texas, told of moisture, which was quite general over the North Plains, with 1/4 to 3/4 inch in many places and still snowing out there when our market opened. Moisture, however, was light south of Amarillo, although as near as we can tell there was 1/4 to 1/2 inch in a good many places. The weather map suggests that there will be additional precipitation although probably nothing much in the west Texas area.

Despite these reports there was some firmness when our market opened. We have before us the BAE's report on the WHEAT SITUATION released this morning and there are several interesting comments with respect to this cereal. The domestic disappearance in 1951-52 is expected to total 715 million bu compared with 696 million a year earlier and an average of 773 million for the five-year period, 1945-49, when feed use was at much higher levels. Exports they think will total at least 400 million bu, which, of course, is not news, but it is anticipated now that we may have a carryover reserve on July 1, 1952 of some 300 million, and based on current CCC inventories and likely deliveries after April 30th, they feel that there may be anywhere from 115 to 140 million bu free wheat available in the carryover, which they say is sufficient for domestic and export needs until the new crop is available in quantity. European conditions for winter grains are considered generally satisfactory.

While we appreciate that any projections made far in advance are likely to undergo changes, we mention some figures that they have prepared looking forward to next summer's crop of 918 million bu winter wheat and a total of 1,235 million bu all wheat, which they believe might add to domestic supplies one year hence. In other words if domestic disappearance should total 700 million bu and exports 350 million as currently estimated, then the carryover on July 1, 1953 could be between 175 and 200 million bu greater than the expected reserves on July 1, 1952. Of course, in making such forecast without knowing the size of crops in Canada or Southern Hemisphere, there are bound to be revisions.

The Wheat Situation pamphlet also confirms that 210 million bu wheat had gone under the loan or purchase agreement programs compared with 196 million bu a year earlier. Redemptions through December 1951 totaled only 27 million bu. One thing is certain: namely, that our exports will loom very high in comparison with other years. If we ship 400 million bu wheat and flour this season, it would be exceeded only by the 486 million bu shipped in 1947-48 and the 507 million bu in 1948-49. It would be about the same as the 405 million bu average for the six marketing years since 1945, during which period we have helped supply needy nations in Europe and Asia, with a large percentage of their importing requirements.

When the visible supply of wheat was posted there was a decrease of 4/2 million bu, reducing total stocks to 120.4 million bu compared with 177.9 million last year. Corn stocks increased 1 million bu to a total of 58 million bu, or 10 million bu less than we had on hand last season. Oats decreased 1.4 million bu, leaving 13 3/4 million bu in the various markets compared to 14.1 million bu last year. Here in Chicago, wheat stocks decreased 430,000 bu, which cuts our supply to 5.1 million bu. There is also 208,000 bu afloat. Corn increased 1 million bu to 15 1/2 million. There was a cut in Chicago oat stocks of 588,000 bu, apparently some of the oats recently delivered on March contract are being shipped out. There is still 7 million bu here, and a slight increase was noted in beans, with less than 1 million bu locally held.

Markets were rather tame until the last hour or so of trade, then there was a good deal of local buying in wheat, which found little opposition, and the close was strong. Beans were also higher, and there is some talk that possibly the OPS will permit a higher ceiling for meal, but this is quite indefinite yet. Corn was helped by strength in the surrounding cereals, and the close was higher with a slight widening of the carrying charge between May and July. Milling demand is still very poor, with some business developing here and there, but in a general way there has been very little improvement.

During the session further moisture was reported in parts of Oklahoma, this had very little effect on the market, although it did tend to have a little more bearish influence on the new-crop futures than the nearby delivery.

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CHICAGO, 4 March 11, 1952.

There was considerable short-covering yesterday, and the fact that the flour business has been so poor for a prolonged period suggested the possibility that very shortly business would improve and commercial buying by bakers might become a reality. In the past when such business has been put through, it gave us impetus for a time, but unless there were follow-up orders to take hedges out of the pit, these bulges did not necessarily last. In any case the market has been fairly well liquidated during the recent declines, and prices are at a level where redemptions are not attractive. However, we understand from friends in the Northwest that an advance of 3 to 4¢ a bu might bring out some loan wheat, and under these conditions it is difficult to become too bullish on the market unless there should be some crop deterioration later on. This hardly seems likely for the time being, as widely scattered moisture is looked for in the Panhandle of Texas, and it is also very likely that we shall get more moisture either in the form of rain or snow over most of Kansas, so that coming at this season of the year it is particularly favorable.

From an economic point of view inflation has lost much of its drive. Many people figure that we cannot spend as much money as was asked for in the budget. There is more optimism around tax time to try to cut non-defense expenditures, but in any event the interest obligation on our debt is still with us. Money rates have shown a strengthening tendency, and while there is a great deal of talk of cutting expenditures we still are very extravagant in our thinking, and even some revision in the outlays would still mean that heavy taxation is to continue. If the government were to confiscate all taxable income above $4,000 a year, the yield would be only about $9 billion; in other words, as much as we have been asked to furnish under the Foreign Aid Program. Such an amount is just about sufficient to operate the government for forty seven days. Therefore, we can hardly expect that we are going back to the economy to which many of our middle-aged citizens had become accustomed.

There was some export business reported in rye. Austria has purchased 2 cargoes for April-May shipment and a cargo of soft winter wheat was also reported sold to France. Possibly some of this will be in the form of white wheat, but it is also likely that Chicago will furnish some of the red wheat under the contract. This brought about a widening of the spread yesterday between May and July futures when two prominent exporters bought small quantities of March wheat in the pit. Furthermore our stock of wheat inChicago has declined to about 5 million bu, and since the scale is rather delicately balances any report of business from here naturally has an immediate effect on these spreads. While we do not have the strong convictions we had previously that a further narrowing may take place, it is still quite likely that if May wheat should sell at a substantial premium over July, there would be little inclination for anyone to carry grain into the new crop, unless he had some nearby use for it. Of course, even this view would have to be modified if the amounts finally reported in the loan were larger than are now anticipated. It was also reported that India had bought 3 cargoes Pacific Coast wheat late yesterday, but since this business generally does not require hedge-lifting, it was not regarded as too important. It does, nevertheless, reduce supplies in this country and can, therefore, not be entirely ignored.

The IWA pact will expire with the 1952 crop. A World Conference starts in London April 15th, and we presume the outcome will hinge on price agreements yet to be reached. We are told that consuming countries will balk at paying more but whether our Congress will sanction subsidies to the tune of about 75¢ a bu, as at present, remains to be seen.

Primaries were a little smaller than last week, but larger than last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 65,000 bu.

Trade was rather dull. Corn, which was weak at the opening, showed a little better undertone, as did most feed grains as the session progressed. Receipts in Chicago were light, but this could be due to the fact that roads down state are impassable because of the recent moisture. During the session we had further reports recounting fine moisture in Texas and Oklahoma, so the outlook has been greatly improved.

There is still 2 1/4 million bu of red wheat here in Chicago, only a small decrease for the week, but with this amount it is rather a closely adjusted picture, and will bear close watching, as we have mentioned above, with respect to spreads. Flour business continued slow, despite hopes for improvement.

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March 11, 19[illegible]

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CHICAGO, 4 March 12, 1952.

There was no special grain news overnight except that 4 cargoes wheat were reported sold to France, and judging from the activity in the pit these hedges may have been covered earlier. Also, it is claimed that 16 cargoes were sold to India but apparently the latter wheat is to come out of CCC stocks; therefore, will not disturb commercial supplies, and to that extent will use the same facilities but will not draw upon holdings presently held or to be bought from regular trade channels.

Weather on the whole was fairly satisfactory. We had some reports of light rain in parts of Nebraska and a little wet snow fell at Goodland, Kansas, but even when there has been general moisture, such as recorded recently, there are always a few dry spots; so with rather high winds we had reports of dust blowing but the latter area must be rather small in comparison to the total. The trade must have regarded this in the same manner because even with some soil blowing and heavy winds in parts of the Texas Panhandle it had very little influence on the market. First prices were steady to a shade higher but there seemed to be no particular trend, and after it became apparent that exporters were not covering hedges minor reactions followed.

Broomhall's Foreign Crop Summary talked of rainy weather which interrupted spring plowing and seeding in some of the western sections of Europe, but recently he said conditions had been mostly favorable for agriculture. Winter grains are said to have come through satisfactorily and granted a continuation of normal conditions a larger area may be sown to spring grains after the subsidy that was announced last month in the U. K. on any new land devoted to crops. France complains of too much moisture and now requires clearing skies in order to facilitate spring work. Winter grains, however, are mostly in a satisfactory condition for most sections of the country, but with farmers economizing there is some thought given to the possibility of smaller amounts of fertilizers being used.

CCC inventory of wheat at end of January was 126 1/2 million bu, down about 10 million from the month before. They also listed as collateral pledged for the 1951 loan 153 1/2 million bu, which makes a total of 280 million bu virtually under government domination as of that date. This is a rather sizeable quantity although we must not forget that a fair amount of wheat in the Northwest could be redeemed if we had upturns from the present level. CCC Inventory of corn January 31st was 380 million bu, down about 9 million from the month earlier. This does not include the amounts re-sealed nor any that went into this year's loan; so one can readily understand how a large part of the reserve might be tied up artificially.

Primary receipts of wheat were downto 454,000 bu, which compared with 567,000 bu last week and 752,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 248,000 bu.

While strong winds were reported over many areas, it is not unusual at this time of the year; in fact, little attention was paid to this in view of the recent moisture we have had. Furthermore, flour business was still very poor, and apparently not many of the buyers were ready yet to re-enter the market for future contracts. According to The Southwestern Miller, many mills report literally a blank in new business, and until there is some stimulation either from export or domestic demand we believe it will be difficult to have much encouragement on the constructive side of the market. On the other hand, with the artificial factors, no one is pressing the short side either. Therefore, we are having rather uninteresting markets.

Corn was influenced for a time by light receipts at terminals, but with corn east of us still cheaper, there are not many sales to be made out of this market. It is possible that Chicago stocks will hold at this level unless demand picks up.

Some of the state reports, which came in toward the end of the session, talked of material benefit to the 1952 wheat crop as a result of the recent moisture; while there are some areas which apparently did not have enough precipitation others had so much that practically all field work was at a standstill.

There was no particular feature in beans.

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CHICAGO, 4 March 13, 1952.

The U.S. Department of Agriculture quotes the Economists' of the Food and Agriculture Organization of the U. N. estimate that per capita consumption of food in the world today is about 4% less than at the beginning of World War II. Information from U.S. Agricultural attaches indicates that world wheat production in the last two years has ranged from 5 to 10% larger than prewar, that rice production is now about the same as prewar, and that world meat production in countries where information is available is about 6% larger, but when we divide this total supply by the estimated world's population today --about 13% greater than in 1939 -- we come out with less food per capita. It is their view that the U.S. must keep up a high agricultural production to provide a reserve food supply for free countries in need, and in addition must do what it can to share its knowledge with farmers of other countries. They mention that to people in the under-developed countries where the supply of food is not always adequate, and where the economic level is such that they cannot afford to purchase all they want, food is the most important consideration.

No one can differ with this reasoning, nor the conclusions. However, we wonder just how consistent some of our policies are. In the first place, we tie the price of agricultural products with industry through parity and support measures, which not only brings higher prices for agricultural products, but also, to say the least, encourages increases in price throughout our whole economy. The many countries which rely on imports from the U.S. for machinery and various industrial articles have to pay a price fully proportionate with our agricultural level of prices. Because of the advance in both agricultural and industrial articles in this country, this has cost these importers more and more per item during the past number of years. Some of these same countries which import the products of our industry are growers of wheat which they sell, or at least, attempt to sell in the world's markets. When they offer their wheat, however, they find that the U.S. instead of offerings its wheat at a price equal to its industrial products has cut the price some 60 or 70¢ a bu by subsidizing exports to put our wheat price down to the level of the International Wheat Agreement. This, of course, makes it more difficult for competitive wheat exporters who have to buy our machinery at equal to the full internal U.S. wheat price, and have to sell their wheat at a relative 60 or 70¢ a bu reduction.

We call attention that this USDA item states food is the most important production in some of these under-developed countries. Wheat by far is the most important food in international trade, and of necessity when its price is out of balance with manufactured articles in international trade, the poorer countries are at a disadvantage. While it might be argued that subsidizing U.S. exports, although costing this country huge sums of money, is more than offset by the advantages gained in giving a higher income to agricultural producers, and affording a source of more taxable income. It must also be realized that the U.S. is a wealthy nation and may be able to temporarily afford such a practice, but the other countries which are paying the same equivalent price for our industrial products cannot afford to subsidize their wheat exporters; therefore, pay the producers only what the wheat will bring on the open market.

It would seem that the International Wheat Agreement works against expansion of world food production in other exporting countries, and at the same time supplies wheat to import countries cheaper than they can produce it, thus discouraging production in large European countries where acreages have not yet returned to prewar levels, and possibly some of the newer large importers, as example, India, where they have devoted considerable food acreage to cotton and jute with the probable intention of receiving world market prices for these products.

The grain news today was not very interesting. The high winds of yesterday have subsided in the Southwest area. There was no export business reported in any of our grains. March wheat and March soybeans turned relatively weak compared with the May futures, although the wheat difference widened when the market declined at the close, indicating that at least for the moment there is no urgency in the demand for these grains in Chicago. We hear of more inclination by central Illinois farmers to take corn loans, since prices have declined, but Chicago has a large stock of corn with prices east of us continuing lower than ours, which restricts shipping sales.

Wheat primary receipts were 635,000 bu compared with 813,000 bu last week, and 1,074,000 bu last year. Stocks of wheat at Kansas City and Minneapolis both decreased and combined show 572,000 bu less so far this week.

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CHICAGO, 4
March 14, 1952.

Recently Broomhall pointed out that the course of the markethad been upward since the start of the Korean war, and that with each successive phase there had been fresh upturns, although part of each advance had been before the subsequent upsurge. In the early phase of the war there was a 12¢ advance in the nearby Chicago future; then when the Chinese Communists intervened there was a 34 1/2¢ advance, and later an advance of 39¢ associated with the stalemate in the campaign and the protracted armistice negotiations. Associated with the Korean war, of course, is the rearmament program in the U.S. and in some of the other countries, and part of the price advance may be associated with inflationary tendencies connected with the spending of large sums of money. Advances were quite world-wide; as example, the Chicago futures, which were $2.12 on June 24, 1950, although being higher meanwhile were up to $2.57 1/4 on February 8th when his table was compiled, and even now the Chicago-March future is down to only $2.53. Corn in Chicago started at $1.47 1/8, and like wheat, although higher in the interim, is $1.83 at the present time. Australian feed oats which were 21 pounds sterling per ton CIF, United Kingdom, were 38 1/2 pounds on February 8th; barley from Iraq, which started at 21 pounds was 46 pounds at the end, and peas from New Zealand from 38 to 60 1/2 pounds. Ocean freights, which two years ago were 7 shillings, 7 1/2 pence per quarter fromAtlantic range ports to the U. K. recently were 23 shillings, and from the Argentine from 48 shillings to 87 shillings. From Russia where the rate was 30 shillings two years ago recently it was 102 shillings. How much of this is attributed directly to the war and how much to inflation would be the cue as to what decline, if any, might be expected upon resumption of peace.

In our country in order to encourage full production, the 1952 crop loans have been either set at definite prices, or at minimum prices in the case of wheat, and corn. So regardless of world conditions or price tendencies, in the event of peace the U.S. farmer is protected at a high price at least for the next crop. Secy. Brannan has noted that prices of hogs and other perishable commodities, especially eggs and butter, have been falling recently. He reminded that his department back in 1949 and 1950 suggested price support by using a direct payment method. This had been called the Brannan Plan, which involved letting market prices of perishables seek their own level and then making a subsidy payment to farmers to bring their rate up to a predetermined level. The Secretary recognizes that there should be the machinery to guard against declines, and in fact, he has called for a strengthening of present price support legislation to remove the sliding scale support which will go into effect after 1953. Regardless of what action might be taken in this country, however, to maintain high prices, or relatively high prices, in relation to the rest of our economy, world prices will be governed by supply and demand conditions. If ocean freight rates work towards a more normal pre-Korean level, and peas from New Zeland, barley from Iraq, oats from Australia, etc. tend to follow a general world pattern of normal price levels, U.S. grains could be left selling at a much higher relative price. Probably our tendency would be to follow world levels, but historically this has not been the way the parity method has operated. It has been the means of constantly advancing prices almost yearly since its inception back in 1938.

Dullness prevailed in the futures market, and the news at the present time is not conducive to a decided change in the market. One cargo of wheat had been reported sold for export, and this failed to bring much hedge-lifting. Germany is asking for offerings of rye and milo. Broomhall has stated that rye is becoming scarce in western Germany, and may have to be replaced by wheat. On the Pacific Coast there seems to be considerable activity in the last few days, with Japanese importers buying both white wheat and hard winters. This is probably preparatory to the purchase of about 22 or 23 cargoes which their government is expected to buy about the first of April.

There was a fair amount of snow throughout Kansas and some in Nebraska, and there may be more overnight in the Southwest area, but it is not expected to reach into the Texas Panhandle.

Offerings of corn from locations east of Chicago continue cheaper than by Chicago shippers, but on the other hand, bookings from the country for Chicago are small. Primary receipts of corn are down during the last week or two, but are still of fair volume.

Stocks of wheat in Minneapolis have decreased 863,000 bu so far this week indicating a decrease in the visible supply. Last year there was a decrease of 2,688,000 bu. Primary receipts of wheat today were 1,009,000 bu, slightly higher than a week ago, and also a year ago.

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CHICAGO, 4 March 17, 1952.

Late last week the United States Department of Agriculture issued the schedule for April and May export allocations, and the preliminary schedule for June. The total was larger than had been expected and created a bullish feeling in the wheat market. Permissible exports for April would total 55 million bu of bread grain --wheat and rye, and for May 44 million bu. The trade is familiar with the fact that exports cannot be made without this authority, but it does not mean that sales or shipments would come up to the amounts allocated --in the past they have not. Nevertheless, with such a formidable quantity, and including such countries as Brazil, India, Germany and Japan, etc., who rely so largely on United States clearances, the announcement came as rather a surprise to the trade. It should be noted, however, that U. K. is not included for clearances of wheat for any of these three months --April-May-June, and it is believed in export circles that a very large proportion of the allocations have already been covered. Also it is expected that the CCC will supply quantities of wheat out of their stocks to such countries as India and Greece. There are other countries who undoubtedly will have to buy --as example France, and we may ship to them from our country during April about 6 1/2 million bu, and about 4 1/2 million bu during May. Then Brazil is authorized to take nearly4 1/2 million during each month, April, May and June. India is down for 11 1/4 million bu for April, and over 7 1/2 million bu for each May and June. Japan will take about 3 3/4 million bu each of the three months. Germany is allocated for 5 1/2 million bu for April, 3 3/4 million bu for May, and about 2 3/4 million for June, but in export circles there are doubts that Germany will be much of a buyer. Probably all these allocations and estimates of what each country will buy is already contained in the government's estimates of total exports for the season of 425 million bu, or possibly more.

If that is the case it probably would not change the U.S. Department of Agriculture's estimate of the probable carryover of 300 million bu, which would contain between 160 and 185 million bu of government-owned wheat, and the balance free wheat.

In Saturday's export trade to France, there was a cargo of red wheat which we understand, together with an additional quantity, will be shipped out of Chicago stocks. This lessens the potential amount available for delivery both during the balance of March and on the May futures, especially as the Chicago stocks apparently represent the most important concentration of red wheat needed by the milling trade in this part of the country. Weekly shipments have been made for some time from this stock to mills, and it is believed that this will be their main source of commercial supply. There is not much wheat of other classes available for delivery in this market. While this makes closer adjustment of contract deliverable stocks, it apparently does keep some available, although at this time, because of recent exports and milling requirements, the quantity has been materially reduced.

During the past several days there has been considerable country selling of soybeans --so much so that some processor bids have been materially reduced, and some processors are out of the market. While the meeting with the OPS on March 19th may result in higher and more realistic ceilings for meal and possible decontrol of edible oils, it is believedthat present price of soybeans and the combined price of oil and mineralized meal, reflect inadequate conversion costs. If realistic prices can be secured for the meal it will reveal a truer supply and demand picture of soybeans and the products. Shortly other industry committees of the brewers' grain and malt sprouts, and other allied products will meet with the OPS, as they, too, are caught in a freeze on their price. The OPS meanwhile is expected to come out with an adjustment of the linseed meal ceiling price.

The country has sold considerable corn in the past few days, and at the same time the hog price has declined following earlier moderate improvement in price.

On March 19th the government will issue the regular report on prospective plantings of spring crops for 1952. The goal is 89 million acres of corn, which would be almost 3 million acres larger than last year in the hope of a crop of 3,375,000,00 bu. The goal is for a slightly lower soybean acreage at 13 million acres, and also a reduction in oats to 41,600,000 acres, but an increase of about 1 1/4 grain sorghums to 10 million acres. If the various government goals are reached the total farm production for 1952 will be about 6% greater than in 1951. This would be a new

all-time farm production record, and an increase of 6 1/2 million acres for all cultivated crops.

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CHICAGO, 4 March 18, 1952

During the winter months Canada has been working hard to get their grain in position for apparent large movement when navigation opens on the lakes to supply wheat for the export market. Meanwhile, clearances from Pacific Coast ports have been running between 2 and 3 million bu a week, and up to March 6th, 54 million bu had cleared from these ports since August 1st compared with 32 million a year ago. Canada's over-all exports were 188 million bu to that date, which included 25 1/2 million bu to the U. S. At such an average rate their clearances would exceed 300 million bu for the year.

Country marketings have been quite heavy so that on March 13th there was about 203 million bu on the farms, of which about 150 million was still in the fields, so that when amounts required for seed are deducted it did not leave much wheat in the farmers' bins. Quality has been one of the main difficulties in handling the Canadian crop, but despite this, from the fact that U. S. allocations include none for the U. K. for April, May, or June, it seems evident that Canada intends to supply that market with contributions from Australia and small amounts from Russia.

The capacity of Canadian elevators to dry grain is quite limited and because of this the high moisture grain is getting preference in country movement to terminals during the colder weather. Some of our Canadian friends believe that until June there will be no hesitancy in shipping high moisture wheat across the ocean probably except to warmer climates, and it is expected that with an early opening of navigation on the lakes a great quantity of wheat can be moved out prior to the use of ships in the ore trade. Duluth is currently receiving Canadian grain which will be dried in those elevators and shipped down the lakes with maybe 8 million bu to be handled, more or less in accordance with how the program proceeds and the ability to ship out the wheat. We understand that there is thought, too, of having Buffalo aid in this drying program.

Canada has the wheat and while the Southern Hemisphere is not a competitor and U. S. shipping facilities are taxed, it seems like an excellent chance for Canada to export large quantities of wheat so far as quality permits. They still have 90 million bu unfilled IWA quota and recently have been reducing the price on class two wheat, which is to destinations outside IWA. They are currently offering their one northern at $2.29, and comparable prices for other grades, which is down 8¢ per bu since the 1st of March, which in turn was down from $2.42 a month earlier. Actually in terms of time, Canada does not have a long period in which to have such a favorable market to sell their inferior type of wheat as compared with their normal quality because the U. S. new crop becomes available for export early in July. From the present outlook we could provide maximum quantities during the summer and fall months until the new crop Canadian wheat would be available. As it is customary to make sales several months ahead of shipment, it will not be long before new crop wheat sales will predominate in the export market.

The weather developed much better in the Southwest than had been expected with good amounts of precipitation reported from central Oklahoma and Kansas eastward, with also some light amounts in western Kansas. It continued to snow and rain in Kansas during the day but probably will clear up tonight. Outside of the extreme Southwest, around the New Mexico wheat area and adjoining part of Texas, the country has had a great deal of moisture recently, and coming early, this will give the crop a good start as the temperatures rise.

We understand that the country was quite a good seller of spring wheat in the Northwest yesterday but there is no great amount moving from such ownership in the Southwest.

Even though there have been good quantities of wheat sold out of Chicago in recent days for export, it seems that there is an amount available over and above milling requirements that continues to circulate on delivery. Those who have been receiving tenders have been re-selling a great share of them in the pit and re-tendering the wheat. Some, however, seem to be going to milling interests and an elevator firm.

In view of the wet weather, country selling of corn and beans was much smaller but it may also have been because of the lower markets. Hog prices were again lower and receipts heavy, indicating that the poor feeding ratio is not conducive to expanded livestock feeding.

Primary receipts of wheat were 1,605,000 bu compared with 952,000 bu last week and 1,037,000 bu a year ago. Kansas City and Minneapolis stocks so far this week show a decrease of 140,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, 4 March 19, 1952

The USDA Feed situation issued early this month contained an interesting table on the domestic disappearance of corn by quarters for the last three years, as well as the 1943-47 average. We have taken the liberty of reconstructing part of this table because the October-December quarter includes all corn in silage, part of which was consumed after January 1st, and the figures with which we have replaced them are corn as grain. The table shows a great consistency in the percentage of corn consumed each quarter from one year to the next. If this same pattern should be followed the disappearance for the first quarter this season is indicative of a disappearance about equal to last year and after further consideration for exports points to a carryover well in excess of 500 million bu. After a further check on disappearance figures the quarterly report, as of April 1st, will be awaited with interest when farm stocks are issued early in April and the report of grain in all positions later that month.

DOMESTIC CORN DISAPPEARANCE

Year beginning October	Oct.-Dec. (As Grain)	Jan.-March	April June	July-Sep.	Total Oct.-Sep. (Million Bushels) (As Grain)
Average 1943-47 -	952	784	534	377	2,647
1948	867	741	538	444	2,590
1949	1,095	765	574	539	2,973
1950	982	727	563	501	2,773
1951	986				

PERCENTAGE OF ANNUAL DOMESTIC DISAPPEARANCE

Year beginning October	Oct.-Dec. (As Grain)	Jan.-March	April-June	July-Sep.
Average 1943-47 -	36%	30%	20%	14%
1948	33	29	21	17
1949	37	26	19	18
1950	36	26	20	18

There has been a great deal of interest in oats with a large futures trade in Chicago. We had a good crop this season and although less than the year before, the larger carryover was about an offset so that the supply at the beginning of the season was approximately the same as a year ago. Imports from Canada were heavy both late last crop and the early part of this season. These oats moved to eastern positions and also a good amount to Chicago. As the season has progressed the Winnipeg futures market has strengthened probably because of the large percentage of tough and damp oats coming from the interior, making somewhat of a doubtful outlook as to the delivery possibilities on the May contract. Because of the Canadian market going to a premium it has switched the demand to American markets and particularly Chicago to the extent that there has been a big demand for cash oats, which has left this market in volume. However, there is still a sizeable stock upon which to draw. Some oats are awaiting opening of navigation for shipment out by the lakes and other sales will no doubt further reduce our stocks. Part of the reason for the strength in Canada we understand comes from purchases sometime back by interests thought to be merchandisers and from appearances this position has likely been maintained. If delivery is taken in Canada and the oats shipped to this country, it could supply oats for a demand during the next few months until about the time of new-crop movement in this country. Canada has a very large supply of oats similar to their supply of other grains but transportation and quality have been their handicaps in freer merchandising. The over-all stock of U. S. oats on the last quarterly report, as of January 1st, was 910 million bu compared with 941 million a year ago but we could afford to let our carryover run down somewhat from last year's total of 291 million bu, which was close to record proportions.

There was report of only one cargo of hard wheat sold for export today, and country selling of corn and soybeans slackened; so the market lacked particular commercial incentives. There was considerable pressure on corn early thought to be of a speculative nature, which appeared to be largely absorbed. Market operators were awaiting news from the OPS meeting in Washington regarding soybean meal ceilings but nothing was forthcoming during the session. Soybeans were somewhat nervous because of this.

Kansas City and Minneapolis stocks both decreased to a total of 294,000 bu so far this week.

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CHICAGO, 4 March 20, 1952.

The government report on prospective plantings for spring crops, while differing from USDA goals, some of which seem to be prompted for security measures, wishing to carry a large stock of grain while world politics are unsettled, seems to be well in line with economic conditions in our country. The major difference comes in corn with farmers planning to plant 83,928,000 acres as against the government's goal of 89 million acres. It is figured that a yield per acre equal to the 1941-50 average of 37.9 bu per acre would produce a crop of 3,181 million bu. We always view the nation's corn acreage as the composite views of farmers planting what each one believes he will need for his own particular feeding requirements, with some for sale to his neighbors except in some areas where corn is grown as a cash crop and they might view conditions on a broader scale. It is expensive for the farmers to construct crib space, and inasmuch as new-crop prices are now quoted close to next year's probable loan, they can either sell or take the loan and come out about equal. If they planned a large acreage and had an excess production, it would necessitate constructing cribs, and seemingly it would serve no purpose. Last year's corn crop was small mostly because of the poor growing season. It seems from the disappearance of corn during the first quarter of this season and the total disappearance of corn last season that the projected figure of 3,181 million bu would be about sufficient for domestic needs and some for export, provided growing conditions are normal.

The farmers are planning a larger soybean and a large oat acreage, which are both feeds, and although sorghum acreage promises to be less, this apparently has not been in great demand in the Kansas feeding area even though there has been a good export demand affecting sorghums grown mostly south of that area.

If the wheat should go through the season normally, the fall planted acreage for winter wheat and the prospective spring wheat acreage would produce a crop of 1,225 million bu. This would allow for about 500 million bu of exports and a normal home consumption, so that wheat would be plentiful throughout the year. Of course,i is still very early to count the number of bushels for this crop. The Southwest seems to be doing exceptionally well barring the extreme area where the crop had a poor start and winter moisture was very light. In the Northwest there is still an abundant amount of snow over some of the best territory; so it is too early to count on that crop. One thing that will not be troublesome is the amount of moisture except that there could be too much, which would delay sowing. However, it is still early and they have until probably the middle of May to get their crop into the ground.

Reports fromCanada continue to stress the efforts made in accumulating wheat that can move out of western terminals at a rapid rate when navigation on the lakes opens. Even though elevators at Ft. William are practically filled, shipments from country elevators are being stepped up, so that there will be plenty of grain reaching the lakehead as navigation opens. Portugal is said to be interested in Manitoba wheat inside IWA instead of U.S. wheat for which they had been inquiring. We would presume that this will be the tendency provided the transportation of Canadian wheat appears to run smoothly as the spring season advances.

The results of the meeting with OPS on soybean meal ceilings may not be known for a couple of weeks; so anything meanwhile is mostly a guess, even though there does not seem to be reason to believe that some upward adjustment will not be made in ceilings or even decontrol.

The only export business in American grain we heard of today was a cargo of corn out of the gulf sold to Holland. The cash corn basis has advanced successively the past few days and purchases for Chicago have been lighter. However, there there seems to have been a fair amount of country selling downstate.

There was a private report that the far southwestern part of the country--Texas, Oklahoma Panhandle, and eastern New Mexico, may have a loss of 3 million acres of winter wheat. However, this probably is the largest area of deterioration, and last year those three states lost 7 million acres from the planted acreage, and Kansas in addition lost about 5 million acres.

Primary receipts were about a million bu, about the same as last year and compared with 635,000 bu last week. Minneapolis and Kansas City stocks have decreased 566,000 bu so far this week.

Saturday, March 22nd, is the last day for trading in Chicago March futures.

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CHICAGO, 4 March 21, 1952

Often at this time of year, and too often for the peace of mind of the grain trade, there is a droughty condition in the Southwest winter wheat area. This year is among the favorable ones, and particularly so as much of the acreage was well supplied with moisture during the fall months and has had additional amounts during the winter, particularly during the month of March. The exception to the well favored areas has been the extreme southwestern corner of the wheat belt, but even towards the northern part of that area precipitation has not been too bad. We believe that the northern part of the Texas Panhandle has been better favored than the south section. Amarillo, as example, has had a deficiency of one inch in the last twenty weeks, but did receive 2.35 inches of moisture. We are running into the season when normally precipitation increases for the next few months; as example, the average for the whole state of Texas for March is 2,03, April 2,94, May 3.65 inches. The same pattern is followed in Oklahoma and Kansas, with normal amounts reaching the highest for Oklahoma in May at about 4 1/2 inches, and in Kansas the maximum is reached in June at close to 4 inches. Therefore, inasmuch as the crop has come through the normally light precipitation period in good shape, there is still basis for expectation that a good crop will be procured this year.

In the Southern Hemisphere exports have been working out just as had been expected. For the past two weeks Argentina has not exported a bushel of wheat and has cleared only 2 1/4 million bu since 1st of January, with all of this going to other South American countries. Up to the same time last year 24 million bu had been exported. Australia since the 1st of January has exported 14 million bu compared with 20 million, and on the last reported week of March 7th they had 87 million bu remaining for exports and carryover, as compared with 120 million bu a year ago. There are grave doubts that Argentina can make much progress in planting wheat acreage during the ensuing months because of the great deterioration in their agriculture over the past few years. Australia on the other hand, probably handicapped by low wheat prices relative to other agricultural products in their country, has a good soil condition, following a previous drought, and efforts are being made to increase their acreage.

It should be of great concern to the world planners as to the low wheat acreages in the two important South American countries, and that Europe has not returned to prewar levels. In general the world has been getting what wheat they need, but this has been because of their reliance on the U. S. production. Luckily we have had crops that have permitted our shipping heavily, and our government has been generous in supplying this at low prices or as a gift. This, however, does not seem too good planning because, what would happen if this country should run into a period of unfavorable weather? Despite efforts to produce a large crop by putting in a big acreage, if the weather were unfavorable we would still be unable to gather crops sufficiently to take care of all the needs with which we now find ourselves burdened. The average wheat acreage in the 1935-39 seasons for Europe was compiled by Broomhall as 77 million acres and about 75 million acres by our USDA, most of the difference between the two being inclusion of different areas. For 1951, Broomhall estimates the acreage at about 68 million, and our Department at 71 million acres. In the Southern Hemisphere prewar acreages ran around 37 million acres, according to Broomhall, and about 34 million estimated by our Department, and they are now down to about 30 million and 24 million, respectively. This has all happened while wheat prices have been high. The war has been ended long enough to have had world grain production return to normal, if everyone worked toward this, and if the prices were permitted to seek whatever world level it would take to bring the interchange of commodities and services to make it profitable for all natural producers of wheat to attain their proportionate share of world trade. Some of the countries have been handicapped because of their own internal conditions but wheat production in most countries is now planned by governments and international trade largely carried on at prearranged prices.

Markets continued today without much incentive as there was no export business reported although what inquiry there is seems to center around Canadian wheat. Country corn selling to Chicago has slowed up necessitating further advance in the cash basis; those handling barge businsss for this market and central Illinois buyers have also increased their buying basis. Additional precipitation and promise of more overnight in the southwest adds to an already good crop condition.

Primary receipts of wheat were 3/4 million bu against 1 million bu last week. Last year was a holiday. Stocks in Kansas City and Minneapolis have dedecreased 805,000 bu so far this week indicating a decrease in the visible supply. Last year it decreased 2 1/2 million bu. UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, 4 March 24, 1952

According to Broomhall, a futures market will be opened in Milan on March 25th. This market had been closed as a result of Mussolini's decree in 1937. It is expected that the new market will deal in several commodities, probably wheat,corn, rice, and possibly linseed and rapeseed, also some mention of coffee. Italy's financial position is better than many of the other European countries, and Broomhall states that the opening of this market raises the entire question of an efficient market, seeking always the close connection not only of actual supply and demand, but of future supply and demand. Commodity values are false and dangerous if they fail to take into account all the world-wide trends bearing on the future. Prices set for bulk or long-term contracts between governments or between government and its growers may easily be the wrong price to insure replacement of future supplies. As we have often pointed out, the first and most important function of the futures market is to act as a barometer of the future supply of any commodity, or rather the price that will be necessary to bring into existence supplies for the future.

Broomhall states that the Argentine stands as the greatest monument to the failure of government fixed prices. Australia affords a close parallel. There have been serious declines in the production of wheat, meat, and dairy products, and all of it has been linked by farm economists to the inability of the government to fix a correct replacement price for these foods, There can be no safety without futures markets, which alone provide the broad foundation for continuous price adjustments of the changing pattern of coming events. In Australia wheat for domestic consumption must be sold at only 10 shillings a bu, while it realizes over 16 shillings under IWA, and could realize 15 shillings if sold on the free market. Producer organizations have openly voiced their dissatisfaction with long-term contracts for meat and other foods sold in Britain, while price control of meat, butter, and milk in Australia has discouraged production. The Australian government is said to be attacking the question of declining food production by a number of changes in enforcement measures. However, Broomhall continues to doubt whether any government burdened with the responsibilities of the grower and consumer level is capable of setting the replacement price or creating the conditions where replacement follows automatically. While this is a most difficult task in importing countries, it is immensely more difficult for exporting countries. The world is now entering the critical stage of planned economy in food. In many countries food production has gone back since the war and it has gotten to a point that the world, as well as individual countries concerned, may not be able to afford many more experiments.

Broomhall's recent letter mentions that importers have more or less withdrawn from the market and very few sales were reported the past week. Dollars are not being provided in sufficient quantity for Germany and Japan to resume buying. The Argentine reports a good rain during the week, which will benefit pastures and somewhat relieve the demand for cereal goods. However, some Argentine meal feeds are being imported into the U. S. southern markets.

Primary receipts of wheat today total 1,117,000 bu vs. 1,053,000 bu a week ago and 2,117,000 bu, the comparable day of last year. When the visible supply was posted wheat stocks showed a decrease of 3,578,000 bu, bringing the total to 172,651,000 bu or 60,513,000 bu less than a year ago. The Chicago stocks of wheat decreased 171,000 bu leaving a total of 4,630,000 bu in this market.

There was a slight decrease in corn but the total Chicago stocks approximate almost 16 million bu,

According to the Southwestern Miller flour business still continues in small volume, although the need for replacement is bringing out at least a modest run of small orders. Bakers are beginning to run near the end of their contracts, which should indicate that bookings may pick up in the not too distant future.

Export flour business is inactive and we did not hear of any new export sales in wheat, There were no over-the-week-end developments. There was no moisture in most of the winter wheat areas and indications are for rising temperatures, Markets were generally easier and on any moderate advances offerings of corn from the country increase.

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CHICAGO MERCANTILE EX.

March 25, 1952

According to Herrell DeGraff, Professor of Food Economics at Cornell University, the food business is the biggest productive business in America. It employs about 30% of the total labor force of the country and all the services that food producing and handling workers perform amount to about $375 per person, or for a family of four, $1,500 per year. He further points out that while many people believe that food is the biggest item in the cost of living, this is not the case. The biggest item is taxes, and of each $2 the typical family spends for food, they pay $3 in taxes, both direct and hidden, to the federal government. While we are all conscious of the direct taxes paid, most of the other taxes are hidden in the price of things purchased. Every business concern pays many taxes, including property, franchise, transportation, telephone taxes, and many others which are passed on to the consumer. It has been pointed out by the Tax Foundation that a total of 150 different taxes are included in the price of a loaf of bread. This means taxes of various kinds levied on the millers, bakers, grocer, etc., who produce and handle the bread. Most of these taxes are passed on in the price of the loaf and amount to an estimated one-third of the retail price of the bread. In other words, bread worth 10¢, plus taxes of 5¢, equals 15¢ at the store level. If the present national budget is approved, a typical family of four, with a food bill of $1,500 will be paying $2,300 in taxes bothhidden and direct.

Report #42, issued by the Canadian authorities on the International Wheat Agreement, covering sales and purchases for the crop year 1951-52, shows quite a revision from the previous report. Total purchases of the U.K. from Canada are now placed at approximately 124 million bu vs. 54 million on March 14th, and total purchases of the U.K. from all exporting countries under IWA show purchases of 171 million bu against 100 million. This report now evidently reflects the business that was actually covered since the turn of the year but not fully cleared and confirmed until recently. This leaves only approximately 6 million bu still to go to the U.K. under the Wheat Agreement, and looking at the total for all importing countries, there is a balance left of only 19 million to come from Canada, 12 million from the U.S. and a total from all exporting countries of approximately 58 million bu. So the balance due to be sold under IWA is no longer of very large proportions.

The North Atlantic Conference Lines, at a recent meeting, reduced freight rates on bulk movement of grain from North American ports to Antwerp Rotterdam by $1.50 a ton. This shows the general tendency of declining prices in commodities, and also points out that supply and demand is the best regulator of prices. Evidently competition has been felt from the steamers operating under "tramp" rates, and it is also reported that the government continues to withdraw liberty ships from the shipping trade, and that same are being returned to the "moth ball" fleet, where they were placed after World War II.

Primary receipts of wheat today totaled 869,000 bu vs. 1,605,000 bu last week and 1,059,000 bu on the comparable day last year. So far this week Kansas City and Minneapolis stocks of wheat show a net decrease of 153,000 bu.

According to the Northwestern Miller, sales of flour for the week ending March 22nd continued slow. However, there was some evidence of flour business today, and according to the Southwestern Miller an eastern chain baker bought hard winters to fill April needs. Otherwise flour demand was slack.

No wheat export business was reported overnight, but the Southwestern Miller also states that heavy business is expected to develop in the next several days with the Italian Agency which might aggregate 5 million bu. between the U.S. and Canada. It was reported that Austria bought a cargo of corn and that the U.K. purchase approximately 1 1/2 cargoes.

Otherwise there was very little news in markets and trading was much more of a local character. Hogs again declined, accentuating the unfavorable feeding ratio which, as of March 15th, was 9.1.

Northing further has been heard with referenceto meal ceilings but soybean oil made a new crop low during the session.

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CHICAGO, 4

March 26, 1952

Much has been written and talked of lately to the effect that the world is not feeding its present complement of population. It has been quite a controversial issue. However, according to one authority, he believes that quite aside from abnormalties and disruptions of normal food supplies, which have been unusually serious in the past decade, the world population has had a diet that is greatly substandard when measured against the yardstick of Western ideas of nutritional adequacy. This is a situation of long standing and has not been war-generated. However, this same authority points out that "feeding" is a relative and not an absolute term, and depends a great deal upon the definition. In the sense of sufficient calories to sustain life, and at least limited physical activity, he believes that the whole world's population is normally fed. Out and out starvation is periodic and localized, and has been throughout the history of the world, but it is an acute rather than a chronic condition. On the other hand, if modern nutritional standards are correct, then malnutrition would be considered widespread and chronic rather than acute. The Asiatic and tropical countries, where the per-capita daily calories are less than those existing elsewhere, consideration must be given to the fact that they have a higher proportion of children in their population than the so-called developed or advanced Western countries. They are of smaller stature, wasteage is greatly curtailed, and the warm to high climates tend to reduce the fuel requirements of their daily diets. Also, there is a possibility that these countries do not record the total food production, missing some of the home garden crops and the scavenger fowls.

Last year the American farmer grew the third largest crops in history, despite heavy losses due to adverse weather conditions. Again for the 1952-53 season, the Department of Agriculture is calling upon the farmer for renewed efforts. As the total crop acreage is only slightly larger than it was fifteen years ago, the increase in yields can be attributed to more efficient land management, greater utilization of farm machinery, improved varieties of seeds, and one great contribution has been in the use of fertilizers, herbicides, and insecticides. Since 1942, the use of fertilizers has almost doubled. The application of fertilizer is not uniform, the heaviest increase being in the twelve states constituting the southeastern quarter of the country. With 17% of the total crop land this area is using about one-half the fertilizer, use has been accelerated in other areas, and the chemical industry will contribute still further to the increased productivity of our soil, and undoubtedly production per acre will be greatly enhanced in the future.

Crop news as a whole was very favorable, Speaking for Europe, Broomhall states that despite interruptions from rains in some parts of the Continent, considerable acreage has been planted tospring crops, and it is contemplated that a number of countries will realize larger combined winter and spring grain acreage than last year. Generally speaking, weather has been ideal for winter and spring planted crops. He mentions that one long-range forecaster places the potential possibilities of France at 352 million bu wheat. While it is too early to come to any conclusions, this would be compared with last year's production of 259 million bu, and two years ago 282 million bu. Prospects in Western Germany are largely favorable. Italy reports satisfactory developments, while Portugal is in need of some rain. In South Africa rains have facilitated seeding of the new wheat and widespread rains in the Argentine have improved their soil conditions.

In this country the Kansas weekly report mentions that rains and snows during the past week improved the outlook for that State, particularly in the western areas, but moisture has somewhat hampered seeding of oats, barley and other farm activities. Wheat has greened up rapidly and while some brown and yellow spots are showing up in south central and southeastern areas, there has been very little damage to the wheat plant from greenbugs or other insects. The Oklahoma report comments that good growth was made over most of the state. The late planted wheat is starting to show good growth while the earlier plantings are growing rapidly in most areas. High winds during the week caused some soil blowing in bare fields.

The Missouri bulletin states that wheat is in good condition in all sections and has suffered little, if any, damage from freezing temperatures. Oat planting is behind schedule, while from Nebraska it is reported that the heavy snow is delaying the seeding of oats in the southeastern part of the state where they are usually planted the last ten days of March.

With lack of any new demand there was liquidation in all pits today. Hogs sold at the lowest point of the last twelve months. May bean oil made a new crop low. With favorable crop reports bullish, enthusiasm was entirely lacking.

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CHICAGO, 4

March 27, 1952

Attempts at price controls and price supports since earliest history have not altered the fact that prices have very important functions to perform. They guide production as well as consumption; they are the barometer that tells producers what to produce and consumers what to consume. Whenever prices are frozen either high or low only confusion results. Probably one of the outstanding examples today of the failure of government planning is the present agricultural situation in theArgentine. Due to the dissatisfaction with the program farmers have curtailed acreages and production has been declining. The Argentine government is apparently beginning to take cognizance of this state of affairs and trying to outline plans to restore agricultural output to some semblance of its former stature. During the past number of years, due to price fixing, farmers obtained only a small part of the worth of their labor, and this aggravated by drought has led to the present crisis. That government, however, is still not giving up ideas of planning but does recognize that economic aid and better pricesare necessary. It appears from the program that is being developed that the producer will have very little to say about the type of crop he will grow. The government is still dictating what type of crop each farmer is to raise if he is to qualify under the loan. Undoubtedly the agricultural community will have to lean upon these loans rather heavily, as the majority of producers are in rather dire straits due to crop failures. Higher price incentives are to be given. In accordance with an announcement by Pres. Peron, the farmer will now be guaranteed for the 1952-53 crops a 45% increase in the price of wheat, 48% increase in oats, and a 30% increase in flaxseed. Widespread rains which were reported the past week have facilitated plowing for wheat and coarse grains, and late-planted corn will undoubtedly be benefited to some extent.

One of our friends in Winnipeg advised that the downward trend in grain prices is continuing with no commercial or export demand of consequence, and with a continual diminishing interest in the market, it does not take much in the way of offerings to depress prices. Their further advice states that grain is piling up at the lakehead and enroute, and as of several days ago there were nearly 10,000 cars either awaiting unloading at terminals or enroute. Some apprehension is being felt as this grain is made up of damp grades and unloading should be as expeditiously as possible. Continued cool temperatures at the lakehead may postpone the opening of navigation.

Broomhall's cable confirms the fact that European crop conditions are favorable, with good moisture and active spring seeding. The majority of the deficit countries are striving for self-sufficiency on account of the high American price and the lack of dollars.

According to The Southwestern Miller, the Italian Agency is expected to come into the market today or tomorrow for a sizeable quantity of hard winter wheat, possibly also some spring and durums under the balance of their IWA quota. The same source also believes that Austria is due to buy shortly, these two countries being the only remaining approved buyers under subsidy. The purchases of Italy a few days ago of Canadian flour instead of wheat is believed to have been due to the fact that the Canadian Wheat Board would not sell quality milling wheat for April and May, but were only offering #3 and #4 Manitobas at their option for July-August shipment.

Primary receipts of wheat todaled 1,113,000 bu vs. 1,009,000bu last week and 1,483,000 bu the comparable day of last year. So far this week the combined Minneapolis and Kansas City stocks of wheat show a decrease of 330,000 bu..

Commodity markets as a whole were lower today with weakness in cotton, oils, and grains. Both the October and December futures of soybean meal sold below ceiling prices. Possibly some of the weakness in oils is due to the action of the Senate Banking Committee yesterday, in which they voted against the present curb on imports of fats, oils, and dairy products and substituted instead a somewhat weaker restriction on imports. Some of the weakness in the grain market originated in Canada where oats at one time during the session showed a decline of a little over 3¢. Apparently the Canadian Board is offering further quantities of oats.

Wheat showed a little more independent strength during part of the session. It is reported that Italy is inquiring for 6 cargoes hard winter wheat and possibly some of the buying of futures was in anticipation of such offerings. Otherwise there was no wheat export business except that Italy bought 3 cargoes durums, and the purchase on part of India of 3 cargoes milo on Tuesday was confirmed. Flour demand has again slackened although the feeling exists that on any moderate break there may be a stepping-off in demand.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, 4

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CHICAGO MERCANTILE EX.

March 28, 1952

A generation is usually considered approximately 33 years. Therefore, the present generation was 13 years or younger when this country embarked upon its New Deal or Fair Deal policies of deficit spending, the setting aside of the old economic laws of supply and demand, and the use of taxes for other purposes than the direct running of the government, and the introduction of subsidies and assistance, Almost the entire life of the present generation has been lived under policies as pursued during the past 20 years. During that period we have strayed far away from the ideas that our founding Fathers fought a war to free themselves of the tentacles of what was then "big government." Although we know we have repeated ourselves several times, in 1890 expenditures of the federal government absorbed some 7% of the national income; in 1914, the percentage was about the same, but by 1940 over 22% of the national income was required, and now in the fiscal years of 1952-54 planned government expenditures require 33% of every dollar of income of each person in the United States. The tax burden is directed against the individual as well as against the private enterprise corporation. The great question is raised, whether we are not reaching the point of diminishing returns. Promoters of the "Welfare State" are urging an equality which is found nowhere in nature. As a great preacher once put it: "The superiority of the few must not be used as a weapon against those less well endowed, but neither must the inferiority of the many become handcuffs for the creative few."

CCC confirm sales of 925,000 bu wheat, including flour as wheat equivalent for the period March 12th to 18th, and the accumulated sales by the U.S. under the IWA quota totaled approximately 244 million leaving a balance of about 11 million bu for this country to complete its obligations. In fact, there is no sizeable quantity left for many of the recipients. For the eight months, July 1951 through February 1952, total exports of wheat or wheat equivalent from the U.S. were approximately 303 1/2 million bu vs. 178 million the comparable period of last year. Exports of other grains and grain products, such as corn, oats, sorghum, barley, rye, etc., totaled 114 million bu during the eight-month period as compared with 150 million the previous year. While allocations for the last quarter are very heavy: namely, 135 million bu, bread grains, if clearances in the balance of the season are to approximate the quarterly program there will have to be a sharp stepping-up of foreign buying in the immediate future, as outside of recent purchases by France, and more recently by Italy, according to one source, relatively little wheat has been sold to other countries for clearance beyond mid-April. More competition should be felt from Canada where prices are more competitive but somewhat minimized by the poor quality of offerings from the Dominion.

The soybean report issued today shows crushings for February about in line with a year ago. Meal stocks are considerably reduced from last February but have been consistently running lighter, while on the other hand stocks of crude oil show a considerable increase. It now appears as though there may be as large a stock of beans as last year even though the crop originally was estimated at 19 million bu less than the previous year. Exports are 7 million less, and it had been previously surmised from the January stock figures that the crop mayhave been underestimated by 10 million bu.

The USDA livestock report of March 25th comments that receipts of hogs diminished moderately from the preceding week, but, nevertheless, continued very large for this time of year, particularly in the face of weather conditions. Supplies were again more than one-third larger than the average of corresponding weeks for the past three years, and the largest for this time of year since 1944. They also call attention that there is a sizeable holding of pork in cold storage. However, one of our friends who has been very close to the livestock picture feels that hogs may have been scraping the bottom and prices could show a fair improvement in the near future.

Winnipeg sources still report that country deliveries continued fairly substantial and that drying of tough and damp grains at the lakehead terminals continues in fairly good volume.

Primary receipts of wheat today total 850,000 bu vs. 758,000 a week ago, and 1,435,000 bu the comparable day of last year. So far this week wheat stocks in Kansas City and Minneapolis show a net decrease of 678,000 bu and when the visible is posted on Monday it will be compared with a decrease last year of 1,722,000 bu.

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CHICAGO, 4 March 31, 1952

The sudden resignation of Charles E. Wilson as Mobilization Director has dimmed the hopes of averting the nation-wide steel strike on April 8th, according to some Washington advices. Sen. Maybank called off hearings of his Senate Banking Committee on the extension of the Defense Production Act, which expires June 30th, until the atmosphere has cleared. Of course, the most important announcement of the week-end was the statement of the President that he would not be a candidate for re-election, although no effect of such announcement was noticeable in the markets today.

"To overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat by assured supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices," is part of the objective set forth in the IWA Wheat Agreement. Under the terms of the Agreement decision must be reached prior to July 31st of this year as to whether the Agreement expiring in 1953 will be renewed. One source in Canada comments that two years and seven months have passed under the present Agreement, and that results reveal that almost from the day of the signing, the price of free wheat which was sold by the Wheat Board to importing countries which did not sign the Agreement has quietly but steadily advanced. However, serious losses have been suffered on the sale of domestic wheat for the making of flour and bread to the people of Canada as the government of Canada accepted the maximum IWA prices as the standard to be charged for domestic wheat. Our source estimates that the loss since August 1, 1949 to February 28, 1952, amounted to $34 1/2 million to producers, bringing the total loss to Canada between IWA price and the open market price of about $166 million. We know in this country the subsidy has mounted into rather large figures, but speaking for Canada it is likely that the consumer countries of the world have received wheat at a bargain price under IWA and that the comparatively well off people of Canada have received wheat for making flour and bread at bargain prices, and that the producers in the three Prairie Provinces have received much lower prices than the proper world price, and lastly, that the acreage to wheat in Canada and Australia has actually lessened. It is pointed out that no individual or any Wheat Board can have the slightest control over the yearly, quarterly, or daily prices of wheat, and wheat is like any other commodity, the price is set by international forces of supply and demand and by the value of money, all of which are constantly fluctuating day by day, in accordance with the fluctuating international conditions.

According to statistics released by the Agricultural Division of the Canadian Dominion Bureau of Statistics, the percentage of world shipments of wheat and flour to Europe has been declining, while to non-European countries same has been increasing. In the prewar years of 1929-30 to 1938-39, European countries took approximately 12 1/2 million metric tons, or 76% of the wheat exports, while non-European countries account for 4 million metric tons. In the year 1947-48, world shipments of wheat and flour totaled 27 3/4 million metric tons, of which 18.54 million metric tons went to Europe, or 73%; in the season 1948-49, 17.18 metric tons, or 64% of the shipments went to Europe; in 1949-50, 12.81 million metric tons, or 56%, and in the 1950-51 season, 13.9 million metric tons, or 55%. Thus it can be seen that the European requirements have been dropping while the non-European countries have advanced from 7 1/4 million in 1947-48 to 11 1/2 million in 1950-51. The largest shipments seem to be going to Asiatic countries, amounting to 5 1/2 million metric tons last year. The demand from India has been unusually heavy and probably cannot be counted on to continue in the future.

Primary receipts of wheat today totaled 1,147,000 bu against 1,117,000 bu last week and 2,681,000 bu last year. When the visible was posted, wheat stocks showed a total decline of 6,144,000 bu, and now stand at 105,994,000 bu, or approximately 65 million bu less than a year ago. In Chicago wheat stocks declined 718,000 bu, leaving 3,912,000 bu here. Corn stocks are approximately unchanged, while oats decreased 263,000 bu.

There was no wheat export business reported, some rye was sold to Germany, and milling demand remains quiet. There was local short covering in our markets today. We have been advised by one source that they are unable to sell mineralized meal except at less than the proposed advance in ceilings, and it does not seem that any final action that may be taken on meal ceilings will be a great factor in the market.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 April 1, 1952.

More attention seems to be directed to the adverse effects of production under the IWA arrangement, and maximum prices that have existed for the past 2 1/2 years. We have pointed out several times that production in Australia and the Argentine has been steadily decreasing, and at present there is considerable agitation in Australia to increase the IWA maximum price by 34¢ a bu in order to stimulate wheat growing. In the prewar years of 1935-39, that Commonwealth's average acreage was 12,980,000; since 1947 the acreage has been on a decline with the 1951 planned acreage placed at 10,240,000 bu. Price has always been the great regulator and registered supply and demand. If food production is to be kept up in other areas our world price must be of sufficient incentive for the farmer to plant. While the Argentine is not a participant in the IWA, the planned economy in that country has not given the farmer sufficient return, and the acreage has declined from a postwar figure in 1935-39 from approximately 18 1/4 million to 12 3/4 million acres in 1951.

Other areas have suffered a reduction in food raising due to the fact that they have received the benefits of the subsidy and consequent lower prices than they could raise the products themselves, and they have turned their efforts to more profitable production, such as the case of India where the U.S. has been very liberal in the granting of assistance. It is estimated that over 7 million acres have been diverted from cereal production to commercial crops such as jute, on which the former acreage has been increased from 8 1/2 million to nearly 17 million acres while the acreage to cotton has been increased more than 4 million acres. During this period the government in India has abandoned its policy of self-sufficiency in food, and its objective has been to obtain more foreign exchange for the importation of food grains by reducing purchases abroad for raw jute and cotton, and increasing the export of textiles. As it is natural to expect cultivators have been concentrating on the production of those materials which will fetch them the biggest monetary return. However, the policy in India is beginning to boomerang and the world demand for native commodities is falling behind supplies with the consequence that stocks are piling up and there has been a dumping of their holdings onthe market on part of merchants with a resultant number of bankruptcies. This may eventually be of beneficial effect and India's attention may again be devoted more to their usual situation of being fairly self-sufficient.

Overnight grain news was again very sketchy and markets seem to show a lack of interest. There had been one cargo of hard winters reported sold out of the Gulf to Italy, and it is expected in a few days that the same country may come into the market for possibly up to 10 cargoes on a non-subsidy basis. However, there is no indication as to whether they will buy all their requirements in this country or partly in Canada.

According to The Southwestern Miller, current bookings of flour are of small aggregate and buyers are merely drawing on contracts and are in position to hold off for some time. However, should a setback in flour prices occur, it might bring in renewed activity. It also notes no sales of consequence for flour export.

One of our friends who has just completed a drive of 165 miles through central Kansas reports that wheat looks in splendid shape and he does not see any evidence of root rot or bug infestation as reported by one crop observer. Weather in the Southwest is mostly fair with cooler temperatures.

Primary receipts of wheat totaled 889,000 bu vs 869,000 bu a week ago and 1,022,000 bu the comparable day of last year. So far this week Kansas City and Minneapolis stocks show a net decrease of 10,000 bu.

We understand there has been some wheat sold by the CCC office in the Southwest. but have no idea what quantity and some opinions differ whether it was sold only to mills for export flour business or to exporters of wheat. However, from what we gather there has been no large quantity up to the present time but whatever the CCC sells means that much less tied up under their control, and releases a certain amount of pressure on the free cash wheat.

The news came more from outside the grain market: namely, the statement of Price Stabilizer Ellis Arnall, speaking very pessimistically of the chances of avoiding the steel strike, also the statement of Premier Stalin that a Third World War is no closer than it was two or three years ago.

There was general weakness in all grains, cotton, oil, and other commodities, as well as the stock market.

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CHICAGO, 4

April 2, 1952

Using the 1935-39 period as par, figures compiled by the Research Department of the Federal Reserve Bank of Chicago show that prices received by farmers have risen from 93% of par in the calendar year of 1940 to 238% in 1950, which was the start of hostilities in Korea, and 281% in 1951. The prices paid by farmers have risen from 97% in 1940 to 199% in 1950, and 219% in 1951. The wholesale price of all commodities was 98% in 1940, 201% in 1950, and 223% in 1951, while prices paid by the consumer were at par in 1940, and stood at 172% in 1950 and 186% in 1951. The average price of No. 2 hard winter wheat in Chicago was 92¢ in 1940, $2.26 in 1950, and $2.46 in 1951, while No. 3 yellow corn Chicago averaged 63¢ in 1941, $1.48 in 1950, and $1.79 in 1951. The Korean war started a bullish phase in the wheat market in the U. S. There was an advance of about 12¢ a bu at the opening of the campaign, 34 1/2¢ a bu following the Chinese intervention, and an advance of 39¢ a bu, which is associated with a stalemate in the campaign and protracted armistice negotiations. Of course, each of the phases was followed by a reaction when the market came under the influence of economic factors. But the general trend has been bullish throughout the campaign; each reaction has still left the price higher than the previous ones. It now becomes a question whether commodity levels are now trying to appraise some settlement in Korea in the not too distant future. At least as Premier Stalin stated the other day, a general war is not any closer than it was three years ago. In the early days of the war ocean freights advanced considerably but these are also showing adeclining tendency, and the withdrawing of some liberty ships from service would indicate that the shipping situation is no longer urgent.

Broomhall in his Foreign Crop Summary states that temperatures are now rising on the Continent after rather torrential rains, which brought field work to a halt over wide areas, but continuation of present weather will permit seeding in the near future. The heavy precipitation was unfavorable for winter grains, which had already been amply supplied, and if anything complaints were reported that it was too wet. However, with a good stretch of clear weather no serious damage is anticipated. There is need of moisture in French North Africa, particularly Morocco, where crops have gone backward, and the prospects are not quite as brilliant as had been previously anticipated. Condition of grain in Italy is holding up satisfactorily but some moisture is needed in certain areas. Broomhall further comments that the importing countries have about covered their needs for this season and fresh purchases may be postponed until the 1952-53 IWA quotas and prices are announced. However, we think there will be quite a steady demand from Brazil, as the Argentine is unable to furnish their requirements, and the present condition of Canadian wheat is not particularly favorable for a trip across the equator. It appears as though the Italian Agency is awaiting instructions from Rome to proceed with the purchase of 90,000 tons non-subsidy wheat, and overnight Portugal purchased some #4 Manitobas; the U. K. also bought some Manitobas. It is also reported that an additional $5 million is to be allocated to Germany for bread grains, and approximately $2 million for rye, although this may need further clarification, as rye is considered a bread grain. There is considerable agitation to have IWA maximum prices raised about 35¢ a bu for next season to promote the growing of wheat in Australia, and this also should have a healthy influence on the Argentine, increasing their production as well as production in some of the other importing countries.

Primary receipts of wheat totaled 399,000 bu today vs. 472,000 bu a week ago and 1,195,000 bu the comparable day of last year. So far this week, Minneapolis and Kansas City stocks of wheat show a net decrease of 169,000 bu.

There was 9,500 tons hard winter wheat sold out of the gulf late yesterday to Italy, 7,000 tons coming from IWA quota, the balance outside. Bookings of any new flour business still continue meager. According to The Southwestern Miller there seems to be little willingness to build up big stocks to any extent. Export demand for flour is poor and the Army is expected to be a substantial buyer in a day or two.

We had a report from our Amarillo Office that the local U. S. Weather Bureau issued a special 30-day forecast predicting temperatures about normal and about normal rainfall for April. The forecast covered an area from Lubbock north to the state line, west to Clovis and Tucumcari, New Mexico, and east to Shamrock. The 30-day national prediction would indicate about normal moisture for the Southwest. According to several advices from Illinois, farmers expect to be back in the field today or tomorrow.

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CHICAGO, 4 April 3, 1952

Many commodities have shown a downward price trend in recent months, and grain has participated, as it normally follows the commodity trend except where special conditions direct its price course otherwise temporarily. Grain has followed this trend, despite the fact that wheat, which is the most important cereal in international trade, has had to contend with a crop failure in Argentina and reduced supplies in Australia. The over-all wheat supplies, and in fact, feed grains, too, despite several Argentine corn crop failures, have been ample because of large crops in the U. S. and Canada and contributions of corn from many exporting countries throughout the world and substitution of barley by importers. Probably the commodity trend has been a reaction from the extreme advances following the outbreak of hostilities in Korea.

Buying has been considerably less in many of our domestic manufactured articles, and general business has felt this reduction. As example, the General Electric Company, with far-flung connections, had a reduction of 27% below a year ago in retail sales of refrigerators during the March quarter. It is now thought that the government may relax installment buying rules as some retailers have been blaming credit curbs for small sales. Business loans for the week ending March 26th declined $105 million, according to the Federal Reserve Board. With lower prices in some of the manufactured lines and smaller turnover, it suggests that tax collections may be smaller unless the difference is made up by defense spending. Federal tax collections during March this year were at an all-time high. The rate of defense spending has not been as heavy as planned, although it has been at a greatly accelerated rate in recent months. The increased tax income and smaller than planned rate of expenditures now indicates that the deficit for the fiscal year may be only $5 billion as compared with $8,200 million forecast by the President in his budget message.

There are notable improvements in some countries, as example, the Canadian dollar has gone from about 10% discount under U.S. funds to a premium of close to 2%, with considerable American money said to have been sent to Canada for investment. Western Germany has had a substantial recovery, due, of course, to aid from this country and scrapping of the economic provisions of the Potsdam and later agreements. At the present time Western Germany is producing more than twice the annual output of steel, which had been contemplated for all of Germany. The ban on manufacturing ocean-going vessels has been lifted, and the standard of living, which it had been planned tohold down, is substantially better than that of the Soviet Satellite States and not visibly inferior to that of France. It does seem that progress has been made towards better world conditions, despite many handicaps. It is somewhat regretful that there are indications that there might be further inflationary tendencies in this country, as indicated by the demands for higher wages, which industrialists claim would be multiplied in the final cost of goods to the ultimate consumer. As example, it is claimed that a $5 ton increase in steel prices would jump the cost of materials in a new Ford car by $8.50, but if proportionate wage and materials increases are passed along by the auto and parts manufacturers, a Ford would go up more than $50. A 50¢ increase in the price of steel in refrigeratorswould amount to from $3 to $5 when the cost cycle is completed. The trouble with inflation is that, although temporarily, it creates an easier condition, in the long run it leaves a debt that must be paid and lessens the buying power of funds saved by the thrifty.

Commodity trading was somewhat handicapped today because of the Western Union Telegraph Company employees' strike, but the Chicago Board of Trade service was operating so that the grain market was known throughout the country. Trade was very dull for a good part of the day but towards the latter part of the session the market livened up and prices were considerably weaker. Probably the less enthusiastic attitude of foreign buyers to enter the market for large quantities of wheat since the IWA quotas have been largely filled, and the good outlook for the new crop have caused the grain market to follow the decline of many other commodities. Despite the alleged belief that Europe would have to take large quantities from this country at the full market price, this fact has not been borne out, and recently, too, the CCC has competed with the private trade prices in the Southwest and has sold some fairly sizeable quantities to the trade for export.

The various state reports are optimistic on the outlook of the new crop and foreign advices, although stressing too much moisture in some parts of Europe, carry the implication that production might be large this season; in fact, early reports on France are extremely optimistic. Today rains were reported in some of the drier areas that needed moisture, such as Italy and Algeria, North Africa, and the Indian wheat crop is expected to be 20 million bu over last year.

DAILY MARKET LETTER

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CHICAGO, 4 April 4, 1952

Dispatches from Korea indicate that Truce Negotiators have hinted they were working for a three-way compromise that might clear the way for an armistice. The steel situation seemed to be more or less an impasse, although during the morning it was announced that Acting Mobilization Director has asked both Union and steel industry representatives to stand by in New York for further talks in an effort to avert a steel strike next Tuesday at midnight. Meanwhile, the steel industry is making preparations to bank furnaces in anticipation of the possible strike. This leaves the situation still up in the air but from well advised quarters it is felt that steel wages will go up to practically the amount recommended by the Wage Board. There will be some advances in steel prices although not as much as the industry has been requesting, with the net result that the Stabilization Program receives a setback. It is doubtful whether, if worse comes to worse, that there will be any prolonged costly strike as the government will go to great lengths to avoid same. It could end with an 80-day injunction or seizure of the plants by the government. Naturally, there are inflationary implications and suggested advances in the cost of raw materials, but it is a question whether this will become a major factor in the immediate future.

Generally speaking, supplies of nearly all kinds of goods are becoming more plentiful, with some excesses showing up. Prices of commodities still show a sign of weakness, although there is a possibility that more resistance might become apparent in some of the markets. Despite the booming economy which we have witnessed in this country, it seems rather significant that the personal loan business should be showing rather large growth. Personal loans are usually associated with more depressed times when unemployment is more general, and where the lower income group is pressed to meet their bills. The present situation can be due in part to the fact that people have developed extravagant habits and are willing to overextend themselves even in a period of prosperity. It also may indicate that the dollar pinch still exists even in inflationary times. It has been estimated that in 1951 one family in every seven in the United States has availed itself of personal loans.

Grainwise there was not a great deal of news overnight. It was reported that France bought 2 cargoes of spring wheat, the U. K. a cargo of two yellow corn, and it is believed that Egypt is asking for offerings on April 22nd of 50,000 tons American and/or Canadian wheat outside IWA.

There were some rains in the central and eastern areas of Kansas and Oklahoma but apparently no moisture in the Panhandle sections of Texas and Oklahoma where it is needed more. Outside of one source who has been talking again of insect infestation the trade is very hopeful for the wheat prospects in Kansas, Nebraska, and many areas of Oklahoma. The Oklahome weekly crop bulletin states that the wheat crop is making a normal growth in most areas, with moisture needed in the extreme southwestern parts of the Panhandle. They mention that there is some greenbug infestation in central areas but there is very little in most other sections and the farmers in the central areas have been spraying their wheat and oats with good success to date.

The time for redemption of loans on wheat is rapidly approaching, April 30th being the deadline. From advices we receive the Department of Agriculture is urging farmers to redeem collateral, particularly that stored in terminal warehouses, but so far this has not met with any great response. Of course, much will depend on the price level between now and the close of the month, but as an offset to the lack of redemptions is a more aggressive selling on part of CCC to exporters. We have no figures on the amounts that have been sold but the government agency has had a more aggressive policy, at least offering their holdings on a more competitive basis for shipments from the gulf.

No primary receipts are available due to wire difficulties, but so far this weel Minneapolis and Kansas City stocks show a net decrease of 545,000 bu.

There still is very little flour or export business, and bakers are assuming a very conservative buying policy for the balance of the crop season and hardly anticipating their needs more than 30 days ahead. There is practically no grain news of marketwise influence, and outside investment participation seems to be at a rather low ebb.

Oil prices went into new low ground for the season.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

April 7, 1952

The labor situation surrounding the steel industry, Western Union, and the A. T. & T. is causing some uncertainty. While the government wants to control and restrain inflation, there is great conflict, and the final outcome seems to point to the control of profits rather than the control of wages. However, looking at the steel picture, it is regarded in many quarters that the capacity is being overexpanded in relation to probable demand, even including the amount necessary for military purposes. We may soon be reaching the period at which supply and demand conditions will dictate a termination in the rising trend of volume, which has permitted the economy to absorb the sharp increases in labor costs. It is expected that the business tempo will continue for the next few months, stimulated by defense buying, but it seems apparent that we will soon enter a cycle where manufacturers and distributors will feel the rising costs and a market that will not permit advancing prices. More and more we are approaching the period of buyers' markets, which is a significant difference in the condition since the outbreak of difficulties in Korea.

A very good crop report appeared in the Hutchinson, Kansas, News, pointing out that an extremely large wheat crop is in the making throughout practically all the big southwestern bread-basket in Kansas. They comment that the week-end round-up of reports in strategic areas is so optimistic that it is almost unbelievable to a few observers. One crop reporter has been rather pessimistic on the subject of insect infestation, but farmers in that locality, at least to date, do not see it that way, and the western counties report that the plant is making such rapid progress as to "grow away" from the minor Army cut-worm infestation which developed a few weeks ago in several areas. Between Dodge City and Garden City, reports are of a thick stand, which undoubtedly will require additional moisture. Many fields have advanced to the point where farmers now have to stop pasturing.

Week-end weather generally over the grain belts was fair. There is a possibility of some moisture developing towards the middle of the week in the western areas, although it is too early to make any real prediction but temperatures generally are moderating.

IWA sales for the week ending March 1st totaled 3,710,000 bu, which still leaves the U. S. with a balance of 7,213,000 bu to be sold under the quota, which originally totaled 255 million bu, and Canada has about 16 1/2 million yet to sell. Taking the total of all exporting countries there remains a balance of 49 3/4 million to complete the 581 million bu covered by the agreement.

The Northwestern Miller's crop reports indicate that the carryover of corn on May 1st may run as high as 600 million bu. As of March 25th, the CCC inventory was approximately 390 million bu. With a reduction in the spring pig crop the feed disappearance of corn may be considerably lower than the USDA originally forecast. Meanwhile CCC has reported some sales of terminal two yellow corn in the western area of the corn belt. However, this still can be bought for slightly less from private trade, although this tends to put a top on corn. The same thing is true of wheat. The southwestern offices of CCC have sold some quantities to exporters, and all in all the more urgent demand seems to be taken care of in both wheat and corn. There is still no announcement or any adjustment of the soybean meal price, possibly blocked by the steel wage price controversy. However, some action is expected this week. The entire steel controversy has led to some further talks of decontrols but it is doubtful if any step of this nature will be undertaken during an election year.

There was no export business reported today, and inasmuch as the weather is clear, with good soil moisture for the growing crops, there is no cause for apprehension on any of this year's grain crops. Inasmuch as the open interest in May wheat is still about 28 million bu, and Chicago stocks have been reduced somewhat recently there is a certain amount of tenseness in the May future. However, we still had 3,493,000 bu of all grades of wheat in Chicago elevators at the end of last week, and currently there is very little new business passing. However, some sizeable shipments are continuing from previous sales, but it is believed that these are nearing completion. One cannot be too sure of his position in May wheat either one way or another relative to July, because it would not take a great deal of new business to put the contract stocks down to quite small amounts. However, if this business does not materialize it should leave some wheat for delivery during May.

Chicago corn stocks decreased 19,000 bu this week, and leave us with 15,912,000 bu. Primary receipts of corn are running lighter as the country is not a willing seller, but the outlets from this market are not large, inasmuch as corn east of Chicago sells at a lower price. The wheat visible supply decrease with three stations missing was a little over 3 1/2 million, which indicates smaller than the 6 million deduction of last week, but larger than a year ago when it was 1,866,000 bu.

DAILY MARKET LETTER

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CHICAGO, 4 April 8, 1952

There was a little more optimistic feeling today particularly expressed in stocks, as statement was made by Nathan Feinsinger, Wage Stabilization Board Chairman, intimating the possibility of an agreement between the steel industry and the Union. While no direct news has been received on truce negotiations in Korea, there is the feeling that some progress is being made, but the negotiations have been going on for such a long period of time that settlement has been discounted several times in the market. The present conflict in Korea has now lasted longer than our participation in World War I.

Showers are predicted tonight or Wednesday in the Southwest, turning to snow in the west portions of Nebraska and Kansas on Wednesday. It is still problematic if the rains will extend into the dry areas of southwestern Oklahoma and the Panhandle of Texas, although the five-day prediction of the local Weather Bureau in Amarillo, Texas, reports a good chance of some moisture in that territory about Friday or Saturday.

The government report will be issued on Wednesday, and in most quarters it is expected to be very optimistic as far as prospects of winter wheat in Kansas, Nebraska, and a large area of Oklahoma. A recent private estimate of the latter state has placed the crop around 80 million bu. If the present condition is carried through to harvest, despite the fact that new-crop months are selling below the probable loan figures, we still feel that the market will be called upon to absorb considerable pressure. One of the factors that may be overlooked by many as to the amount of wheat impounded is the efforts of the Food and Drug Administration to promote a higher degree of good housekeeping by grain storage warehousemen and farmers. From all we can gather the majority of elevator interests in this country are making every attempt to put their houses in proper order, fumigating same, and eliminating as much as possible damage from rats. However, this attitude on part of the Food and Drug Administration has probably intensified the attitude of the USDA toward the whole storage program, and coupled with the scandals that have developed in certain areas there will probably be a tightening up on the loan and grain storage contracts. The USDA has intimated that the government may find it necessary to tighten the maximum moisture limitations on wheat eligible for loans both at the farm and warehouse levels. There has been some mention to make wheat ineligible for either farm or warehouse loans or delivery under purchase agreements unless the moisture content was 13% or lower. Any action of this nature would require different handling of wheat from the time it is harvested, as since the advent of the combines harvesting operations have been speeded up with the result that many times new wheat is high in moisture. Should the limitation of 13% moisture be placed on wheat it undoubtedly would have the effect of putting more wheat on the free market. Furthermore, the farmer will be now facing the problem of protecting his farm-stored wheat against infestation and contamination, and there will be more danger attached to the storage of grain on farms. We are pointing out these factors as the price level may not be the only determining factor when the movement of the new crop is under way.

Total stocks of wheat in Kansas City show a decrease of 30,000 bu. Due to communications difficulties the visible figures were not completely available yesterday, but wheat showed a decrease of 3,109,000 bu, bringing the total to 102,885,000 bu, or about 66 million less than a year ago. Chicago stocks of wheat decreased 419,000 bu, leaving 3,493,000 bu in this market.

It was reported that Austria bought two cargoes of hard winter wheat out of the gulf, and two cargoes of spring wheat out of the Atlantic. Also starting April 17th Germany will be in the market for North American grains, mostly from the United States, and on that date probably will start buying wheat outside the IWA agreement, as about $5 million has been allocated to Germany for this purpose. In addition Germany has about $2 million to buy rye, and 7 million free dollars to buy Canadian barley and U.S. milo.

According to the Southwestern Miller mills are beginning to make a number of inquiries, but bookings so far remain light, and mills are not pushing for orders.

A better tone was expressed in all grains, and the nearby futures of wheat made further gain on the new-crop months. It still remains a question as to the ultimate outcome of May wheat both here and in Kansas City. In the latter market cash wheat is selling almost 17¢ over the July future. The Agricultural Department announced that it will not extend the periods of price support loans on 1951 grain crops which are stored on the nation's farms.

UHLMANN GRAIN CO.

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CHICAGO, 4 April 9, 1952

A little more attention has been called to the meeting which will take place in London next week of the Officials of the Mutual Security Agency, the State, and Agricultural Departments, and representatives of 42 importing countries and 4 exporting countries to discuss the situation of the IWA for a further four-year period. The present agreement expires July 31, 1953. Officials claim that the pact has stabilized world wheat prices, has diminished competition for wheat markets, and has built up dependable customers. However, at the time the pact was entered into one of the motivating factors was the providing of outlets for surplus crops in the U.S. and to somewhat cushion the effects of production following World War II. As usual in any country where government enters the picture extensions are usually found necessary.

The development of "planned" or "managed" agriculture has had different repercussions in individual exporting countries. Not all of these difficulties can be blamed on the IWA Agreement but rather the fact that the natural laws of supply and demand have not been permitted to function. In this country the taxpayers have been called upon to bear the brunt of subsidies granted to importing countries, particularly during the past two years when a sellers' market more or less existed in wheat. Probably a large amount of our exports could have been consummated at world prices rather than on a subsidy basis. It may be fair to say that during the past year each cargo of wheat leaving our shores under the subsidy has cost the taxpayers $200,000 and upwards. One source estimates that the program will have cost the U. S. $600 million during the first four-year period. Planned economy and unsatisfactory arbitrary returns to the farmer in both the Argentine and Australia has caused a reduction in acreage in the Southern Hemisphere at a time that the producer should have been encouraged to increase his outturn. During the first year of the IWA pact the U.S. did not reach their quota due to the fact that importing countries could buy their wheat cheaper elsewhere. So it looks like it is a one-way street, as far as importing countries are concerned, and the agreement so far does not impose any obligation upon the importing countries if they can buy wheat cheaper elsewhere. It should be pointed out that the Argentine, whose exports of wheat were an important factor at the time the original IWA Agreement was drawn up, is not a participating member. We understand that Australia is agitating for an increase of about 35¢ a bu in the maximum price.

In this country some very good moisture occurred overnight in most areas of the Southwest with the exception of the North Plains, the Texas Panhandle, and the Panhandle of Oklahoma. Rains seemed to extend into the South Plains of Texas around the Lubbock area and into southwestern Oklahoma, which areas have been deficient.

Broomhall's Foreign Crop Summary states that recent cold weather in Europe has caused little damage to crops with winter killing very light. The principal complaint seems to be too much moisture with a lack of warmth and sunshine. The U.K. reports a satisfactory winter grain condition and spring seeding making good progress. In France excessive moisture has delayed the planting of oats and barley. Crop conditions in Western Germany are mainly favorable. Prospects in Italy are good, with rains coming as a relief to dry areas. The outlook in French North Africa is somewhat obscure although Morocco has been benefited by recent moisture. Elsewhere conditions are reported excellent to good.

Relative strength continues to be expressed in our May wheat futures and for the moment it appears that the shorts are more on the defensive. However, we call attention to the fact that firmness of cash wheat in the Southwest might lead to some further redemptions as the current prices are now at or slightly above loan prices plus interest charges. This condition is not true in the Northwest where more wheat has been impounded. Even though cash wheat is firm prices still do not permit of large-scale redemptions but the differential is narrowing and will act as a ceiling over future possible advances in that market.

Firmness in markets today may have been a reflection of the inflationary implication of the labor situation, but rather persistent buying of May wheat further strengthened that month against new-crop futures with the latter affected by the good rains in the Southwest.

The only export business reported was 5,500 tons of rye sold to Germany for shipment out of Atlantic ports, early this month. Clearer weather in the Central part of the grain belt is permitting expansion of spring work, so that good progress is being made except in some of the wetter sections towards the northern end of Iowa.

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CHICAGO, 4 April 10, 1952,

The present labor demands in certain key industries are probably indicative of other demands to follow, and have definite inflationary implications because as wages go up, so do prices; therefore, "stabilization" becomes more of a by-word than a reality. The prevailing round of increased demands on part of labor comes at a time when there is mounting evidence of consumer-resistance and softening of markets not only in this country but internationally. The Bureau of Agricultural Economics of the U SDA states that from the early part of January to the latter part of March, wholesale prices of all commodities drifted slowly downward. The general index of market support prices for twenty-eight commoditie dropped 8% during that period. Both the imported and raw industrial commodity crops were down about 10%, and average prices for agricultural products based on a few select commodities were off 7%, with foodstuffs approximately 4% lower. They conclude that this rather widespread weakness in basic commodity prices probably reflects larger supplies of many of these products, as well as some softening in normal demand, both domestic and world, accompanying the slow-up in the rate of defense expansion. Instead of buying for inventory there apparently has been some liquidation of stocks as prices declined and supply prospects improved.

However, it appears that those who are attempting to plan the economy desire to bolster prices rather than let them seek proper levels and to permit the cost of living to decline if conditions so dictate. According to a Washington news release this morning, the Agricultural Department is reported about ready to embark on a program to buy ham and other pork products, and eggs to support prices which are "unfavorable for producers." Quantities are not mentioned except 500,000 cases shell eggs. The supplies will probably be channeled to the school lunch program and welfare institutions; nevertheless, this will act as a support program and will be at the expense of every taxpayer in the U.S.

The government report will be issued this afternoon after this letter has been written and the winter wheat crop prospects as of April 1st will be compared with a figure last year of 760 million bu and a final outturn of 645 million. Last year there was a continual decline in crop prospects which started out with the original December figure of 899 million bu.

To-date we have had much better weather conditions with the exception of the Panhandle area of Texas and the southwestern section of Oklahoma. The Kansas weekly crop report states that prospects for 1952 in that state are good to excellent. The Nebraska weekly mentions that winter wheat is making fine growth and very little abandonment is evident at this time. Most of the wheat appears excellent, although some of the later planted is a little spotty. The Oklahoma bulletin refers to the fact that wheat, oats, and other small grains made fair to good growth during the week. Wheat is making rapid progress in the central areas but needs more moisture in the western part. The extreme Southwest and western sections of the Panhandle need rain badly as growing crops are suffering from inadequate moisture. Since this report was compiled there has been moisture in the southwestern area, and undoubtedly some of the difficulty has been temporarily alleviated. Overnight there were good rains reported in the Corpus Christi area and rather heavy around San Antonio, which should prove beneficial to sorghums raised in that territory.

According to the Southwestern Miller there has been a slight pick-up in farm selling although prices are still too low to attract loan redemptions on a substantial scale. There are a little less than three weeks left for farmers to redeem their loans.

Country selling of corn in Illinois seems to continue each day with rather substantial amounts offered a few cents over the present cash market.

Markets were somewhat firm early today but towards the close, it was known that a cargo of Canadian oats had been shipped to Chicago, which is a reminder that grains from that country will be available in increasing quantities for export, which makes them competitive with U.S. grains not only for consumption in this country, but in foreign lands. No export business in American grain was reported, and domestic and export flour business continues slow, lessening the commercial activity in futures.

Stocks in Kansas City and Minneapolis have decreased 295,000 bu so far this week indicating a decrease in the visible supply for the week; last year the visible supply of wheat decreased 2,182,000 bu.

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CHICAGO, 4

April 14. 1952

The government report issued Thursday indicating a winter wheat crop of 947 million bu was very optimistic and showed that winter wheat had survived the critical March period in promising condition. Since the issuance of the report, further moisture has occurred even in the drier areas of the Texas and Oklahoma Panhandles. While the acreage in Texas is down, at least moisture will help to maintain or benefit crop prospects as indicated in the April 1st report. While attention is always directed to the Southwest, it is very encouraging to know that the indicated crops in the soft winter wheat states East of the Mississippi are also very good. Ohio, Indiana, Illinois, and Michigan have prospects of approximately 153 million bu vs. final production last year of 122 million bu, and an average during the years 1941 and 1950 of about 128 million bu. So the outlook for building up wheat stocks in Chicago on the new crop is brighter than for a number of years. Of course, it is much too early to predict anything for the spring wheat crop, but intentions to plant could give a yield of slightly over 300 million bu, and soil conditions remain quite favorable in that area. Thus at least on paper we have a prospect of 1 1/2 billion bu wheat crop and carryover. It is estimated that the demand for wheat, both domestically and for export purposes, will be lower in the coming crop-year. With domestic consumption being placed at about 700 million bu and probably not to exceed 350 million bu for export it would give a total disappearance of 1,050 million bu, leaving a possible carryover on June 30, 1953 of about 500 million bu.

While new-crop wheat futures are now selling below the net loan level, we feel that it can be contemplated that they will go to still lower levels during harvest time if yields should be as presently indicated. Consequently, much will probably be put under the loan. There has been some talk, however, that due to the Pure Food and Drug Administration more careful restrictions may be placed on farm storage and also some talk of lowering the moisture content eligible for the loan. While time is running short for redemption of loans this year, the deadline being April 30th, the amount that will be under government control at the beginning of the new-crop year will depend on the cash basis the next several weeks.

According to the Bureau of Agricultural Economics of the USDA the total acreage planted to feed grains in 1952, based on farmers' plans in early March, will be slightly smaller than in 1951, but with average yields of last year's production could be about 6% larger than last year.

In analyzing the government report of corn on farms, the greatest increase in disappearance as compared to a year ago was in Iowa, Nebraska, Missouri, South Dakota, and Minnesota where wet corn has undoubtedly led to larger feeding, as well as an effort on the part of the farmer to market their high moisture and damaged corn. The disappearance East of the Mississippi in the commercial areas was also larger than a year ago, but in the non-commercial areas the disappearance was somewhat less. While an effort is being made to induce farmers to step up their production of corn, the combined corn and soybean acreage remains rather constant, somewhere in the neighborhood of 98 million acres, with a tendency the last few years to lower corn acreages from the 1941-50 acreage and to raise the acreage devoted to soybeans.

When the visible was posted wheat showed a decrease of 1,623,000 bu, leaving the total in all positions 101,262,000 bu, or approximately 65 1/2 million less than a year ago. Stocks of wheat in Chicago diminished 241,000 bu, leaving a balance of 3,252,000 bu, corn decreased in Chicago 503,000 bu, and oats 496,000 bu in this market.

Canadian advices state that weather conditions in Western Canada are favorable for drying of the soil, and it is now hoped that harvesting of last year's crop may be under way, at least in some districts within a week's time.

Lower markets prevailed in all pits, and in fact, the general tone of the outside commodities, as well as the stock market, was lower. In some quarters it is believed that a truce is not too far off in Korea, and Russia is apparently making more advances to meet with other countries trying to find some formula for settling differences.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 April 15, 1952

For the past month or more May wheat has been traveling within a rather narrow course, prices ranging mainly from $2.50 to $2.55 a bu. On one or two occasions there was a dip slightly under this level but moderate recoveries generally took place, and the fact that our carryover supply at end of the season will be more moderate than in several years has naturally had a restraining influence on bearish operations. Even last Saturday there was more or less firmness following the bearish government report, and it is still a question as to how much free wheat there will be in the carryover supply on June 30th. For that reason nobody can be sure what difference will prevail for old-crop months as compared to July. Gradually more attention is being paid to the fine crop prospects now prevailing, although it still must be realized that crops are not made in April, nor in May, although the scenery often looks finest during those months, particularly when there has been moisture.

On basis of the last government report, indicating a winter wheat crop of nearly 950 million bu, we are going to have to export heavily again during the coming season, and even if we do we are quite apt to build up sizeable surpluses and increase the carryover supply one year hence. With that in mind and also taking into account a loan of about $2.55 a bu basis Chicago for the next crop, one has to temper to some extent bearish views as these artificial influences have had an important effect in preventing extremes during periods of crop movement. In many years we have seen discounts of 10 to 25¢ a bu under the loan, but gradually as the farmers became cognizant of their opportunities to impound grain, the wide discounts have diminished, although it must also be noted that where grain is stored in terminal houses, charges of 10 to 11¢ a bu must be deducted; consequently, the loan is not quite as attractive as it would seem on the surface. Therefore, it behooves anyone who is bearish on the general economic conditions of the country to guard himself to some extent, and not to allow himself to become too emotional on sharp breaks. We still have approximately 60 million people gainfully employed and the eating habits of the nation are still at a high level, but there are some signs that the defense program is lagging, and as a matter of fact, there seems to be a general slackening in many lines of business even though a good number of industries are still running at near peak levels. For the moment there is more concern of deflation than of inflation, which is quite a different situation from any we have had during the past few years. Wholesale commodity prices have declined about 5% from the 1951 peak, while the index of sensitive prices has declined more than 15% during this period. This has not been confined entirely to our domestic situation but has been world wide in scope.

When our market opened this morning prices were a little higher and very likely yesterday's heavy liquidation had corrected some of the technical conditions which had existed. There was no special news except that some moisture is likely for western Oklahoma and western Kansas but nothing indicated for Texas where in most areas there is still a subsoil moisture deficiency.

Flour business had been reported on yesterday's break and the consensus was that the total was better, but yet we found no evidence of spirited buying. France bought a cargo of hard winter wheat but the foreign demand generally was rather dull, following the Easter holiday period.

More attention will gradually be paid to prospects in the spring wheat areas. Weather during the past week was generally favorable; snow seems to be melting and gradually fields are drying out. Some field work, according to the Peavey report is now possible, including wheat seeding. This was started last week in northern North Dakota and central South Dakota, so that with favorable weather conditions it might be quite general in those areas by end of the week, and work might commence toward end of the week on higher ground in other districts.

Statistics did not count for much in today's market. However, the stock market became quite weak and after mid-session there was considerable liquidation again in wheat, which affected other grains as well. However, Minneapolis and Kansas City wheat futures remained relatively firm and as a result we also had rather sharp recoveries although new-crop wheat futures here in Chicago made seasonal lows, and there does not seem to be too much inspiration to buy although there were a few reports from western Kansas less optimistic than some of the recent reports that have been circulated.

The corn-hog ratio in Chicago is the same as last week but considerably worse than last year. Chicago contract stocks of wheat are reduced to 952,000 bu, of which 832,000 bu constitutes No. 2 red winter wheat. We do not seem to accumulate much from the country.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, 4 April 16, 1952

There had been a very large flour business yesterday but apparently the volume this morning was of smaller proportions, and as a result our wheat market opened a little lower. It may have been influenced also by the indifference in the stock market and the realization that our government expenditures require 33¢ of every dollar of income of every person in the U. S., and there is some doubt under these conditions whether we can have sustained prosperity. In other words, one-third of our incomes are directly lifted from the area in which we enjoy free choice. On the average, we work, that is to say, every man, woman, and child, for four months each year as servants of the government, and for some it is, indeed, a much higher proportion.

There had also been some crop scares yesterday but this morning's news was more quieting. Very likely some crop damage has been sustained in some of the western counties of Kansas and parts of Oklahoma. Of course, we also have to remember that the prospects in Texas have been dimmed due to insufficient moisture. On the other hand, the more important areas still enjoy a fine prospect. Aside from the territories where possibly the freeze had taken a toll from earlier expectations, we would say that conditions are still better than average, so that if we write down the last government figure to make allowance for some deterioration, the outcome might still be very good. The corn receipts here in Chicago are running quite light and after weakness in the early trade there were recoveries, but on the whole volume of business was smaller than yesterday.

Broomhall's Foreign Crop Summary was quite satisfactory, and weather conditions over much of Europe were more favorable recently for winter grains, and also, for spring wheat crops. There have been no new estimates but reports indicate that spring acreages will be increased in a number of countries. In France, it is now warm and sunny, and this change has greatly benefited winter grains, which had been losing color due to heavy rain. The night frosts in Germany seemed to have caused little damage and the crop outlook in that country remains favorable. The official advices state that winter wheat acreage will be 13% larger than last year, winter barley plantings 15% greater, with only small changes for other grains. In Italy hot weather in the Southern sections has benefited crops and for the most part conditions are satisfactory despite some damage. The official estimate is for a wheat crop of 253 million bu. which is a little less than last season, and also, somewhat below average. Broomhall also reported that Russia was willing to trade a million tons wheat for Brazilian cocoa, cotton, rice, and rubber. The date of shipment, however, was not mentioned, and Brazil needs her grain supplies promptly.

The USDA is now predicting that the carryover stock of edible fats and oils next September will be higher than last year when they amounted to 590 million lbs. Actually this year's stock might go above the 1937-41 average of 861 million lbs. This had a somewhat depressing effect on the soybean market early in the trade, although later recoveries took place. The supplies for next season are expected to be as high as during the current season.

There was nothing special in the overnight weather, and the 30-day outlook calls for somewhat subnormal precipitation over the Northern Plains and western mountain states but above normal from the Appalachian mountains eastward. More than normal rainfall is expected in the gulf states, Southern Plains, Ohio Valley, and along the West Coast.

Due to the Western Union strike there are still no tabulations on the primary movement. Kansas City and Minneapolis stocks so far this week show a decrease of 101,000 bu.

Markets were rather nervous due to the conflicting crop reports. According to one of the officials of the Kansas Wheat Improvement Association, there is still a chance for the damaged areas to recover, but meanwhile there were enough messages circulating telling of mite damage to impart occasional strength to the market but the close was lower. May wheat lost ground on the new-crop futures, probably due to a slackening of milling trade following yesterday's heavy business.

It was reported that Germany and Holland were due to buy milo and corn tomorrow; also, some Canadian barley Thursday. This was an influence on coarse grains, which closed moderately firm.

UHLMANN GRAIN CO.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 April 17, 1952

Before our market opened this morning securities were lower and the weakness was ascribed to Mr. Arnall's statement on steel, which would prohibit passing on all the higher labor costs to the finished product, and also the possibility of an oil strike. However, there may be other reasons for the pessimism that has been mounting in recent weeks, despite the fact that many industries are still reporting peak production and satisfactory business. The trouble seems to be that too few of us are concerned or are really aware of what is taking place. Our Founding Fathers fought a war to free themselves of the tentacles of what was to them "big government." They must lie in their graves uneasy and disconsolate as they contemplate the inertia with which we accept "big government" today. Certainly in the area of our fiscal affairs we must ask the sobering question of just how much financial strain our economy can stand. How much can we afford to spend on vast projects, each worth while enough when examined singly and alone, but which in total may place upon the nation such a stultifying burden as to jeopardize our very way of life? In the words of M. F. A. Harper, "The ideological mooring to which our unique American experiment in freedom was anchored nearly two centuries ago seems to have been first neglected, then abandoned, and now lost."

Grains opened somewhat lower but were also influenced by overnight rains, which included precipitation in the Texas Panhandle, .13 inch reported in Amarillo, .29 inch at Dalhart, 1.13 inch at Vega, and 1.08 inch at Dumas. The forecast is for some widely scattered showers in west Texas, also, for other parts of the Southwest, and this is all pleasant reading as there are areas, particularly in Texas, where the subsoil moisture is still very deficient. May wheat was likewise weak and chances are that new export business for the remainder of the crop will not be impressive, as most buyers are now pretty well supplied and are awaiting either the harvest of native grain, or else hope to buy cheaper when the next IWA Agreement becomes effective.

In the meantime, U. S. wheat and flour exports for the week were 10 1/4 million bu, bringing the total to 363 1/2 million since July 1st compared with only 234 3/4 a year ago. Since the start of the world crop season, August 1st, total exports from all countries have been 659 million bu compared with 532 million a year ago, indicating that requirements were heavy and much of this was due to poor crops abroad while small production in Southern Hemisphere created a bigger demand for North American supplies. U. S. corn exports last week were 2 1/2 million bu and since October 1st have amounted to 50 million bu compared with 70 million a year ago. Total soybean shipments during the same period amounted to 11 million bu compared with 19 million last year. Very little business has been done in oats from this country, apparently Canada taking the initiative in that respect. Our shipments have been less than a million bushels since last July, but even a year ago they were only about twice that amount. Exports of barley for the season have been 22 1/2 million bu compared with 26 million last year.

Mr. Brannan is urging farmers to place their orders early for pesticides and fertilizers that are needed to support this year's high level farm output. While supplies are apparently adequate, shipments into the feed-grain areas of the country should be hastened in view of the defense urgency of meeting production goals for maximum production.

So far this week Kansas City and Minneapolis stocks show a total decrease of 414,000 bu. Without the Western Union service we have no figures on the primary movement.

Trade was only moderate but wheat showed more recuperative power than recently after early breaks without much news coming from growing areas. There is the possibility now that corn which has been stored in CCC bins in the flood areas may be moved to safer positions, which would naturally place a little heavier burden on the market, but this does not change the over-all position with respect to carryover stocks. At one time corn was weak, probably due to very heavy Chicago hog receipts and lower prices for hogs. Final prices were not greatly changed from the day before.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4

April 18, 1952

The break in wheat last Monday, while taking the market out of a rut, still left us in the position where the new-crop futures were selling far enough below the loan level to discourage any further aggressive selling. While on the other hand, improved crop prospects due to the rains have taken away much urge for new purchases. It is always difficult to say how much damage may be sustained due to insect infestation, and, indeed, some authorities are even of the opinion that rains may wash away some of the mites which are claimed to have taken a toll from crops in western Kansas counties and in the Oklahoma Panhandle. We have experienced further rains in the South Plains of the Texas Panhandle, which is the first good relief in some time. Around Lubbock there was an inch of precipitation, Seminole the same, and many other towns, but, of course, these reporting stations are scattered, but there was .89 inch reported at Amarillo, with smaller amounts in that immediate territory; but in any case the Southwest has been benefited and the five-day forecast is also optimistic that more rains will occur. Altogether the outlook is promising at this time, and while we expect a little export business next week, with Italy likely to buy 4 cargoes hard winter wheat on Tuesday for May shipment, and possibly the same for June; yet the over-all demand is not apt to be heavy until the new IWA rates become applicable. On basis of shipments already made our total clearances for the year are going to be considerably better than had been first anticipated, but, of course, this was largely due to the fact that Canada was unable to harvest a large proportion of its crop last fall, and later on Southern Hemisphere production fell far below earlier expectations.

As matters now stand there is an unusually good spell of warm and sunny weather in Canada, with indications that this will continue for several days at least. The result is that grain is drying rapidly, and while harvesting has not yet become general, activities are extending into the northern parts of Saskatchewan, and the samples that are received at Winnipeg are really quite encouraging. Wheat is grading mosting #4 and nearly all samples contain evidence of mildew, but there had been the fear of a wet spring, in which case large losses might have been sustained. The ground is still a little too wet for machines to move into the fields, but much of the grain is ready and right for harvest, so that we may still have almost as much in total number of bushels as had been predicted late last summer.

There are still big premiums for cash wheat in the Southwest, and offerings from the country continue light. Yesterday's advance in the premium market in Kansas City made the basis the highest for the year, and chances are that deliveries in that market will be very light if any when May tenders are due. As for Chicago, we still cannot appraise the situation too accurately. There is only about 800,000 bu red wheat here and not much chance of replenishing stocks that have gradually diminished; therefore, there may be comparative strength early in the month but by May 31st, when we approach the next crop, the situation might change rapidly, with not many people eager for supplies when they realize that they will be able to acquire the new crop arrivals on a more advantageous basis.

So far this week Kansas City and Minneapolis stocks show a total decrease of 503,000 bu, We are apt to have a fairly good shrinkage in the visible next Monday. It will compare with a decrease last year of 5.8 million bu.

Trade was not particularly active. There was moderate strength at one time when securities became firm, but the rains overshadowed other considerations, and recent moisture has been most beneficial. Milling demand seems to be slow again and, according to The Southwestern Miller, there is little immediate prospect for any large bookings. Export flour business is likewise inactive. For that reason and because there were no hedges lifted against exports, bulges did not hold, and there seemed to be a little selling on the advances. The carrying charge spread between July and the more distant months shows a widening tendency.

Corn was mostly firm early but there was no great feature in this market, and possibly some liquidation took place in sympathy with the indifferent wheat market. Late in the day we heard that the southwestern section of Oklahoma had 1/2 inch of rain. It was quite general through that territory. Weather was cloudy and it was still threatening; so there may be more rains reported overnight. The same condition prevailed around the Dodge City, Kansas area, and in fact, some places reported even heavier precipitation.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 April 21, 1952

There is a little export business going on in wheat but quantities are small; in fact, some of the recent business has been for July shipment. Therefore, it will comprise new crop deliveries and on the whole we would imagine that most of the present clearances will constitute business which is already on the books. If this is the case there will probably not be much support to markets, although May wheat futures not only here but in Kansas City and Minneapolis remain quite firm owing to the fact that supplies have been reduced, and after April 30th farmers will no longer be able to redeem loan wheat. As far as the new crop is concerned, it is making excellent headway. There are, to be sure, some spots where nature was not as provident as in others. This is mainly true of Texas, and even the government estimate of 35 million bu is claimed a little high by some observers although recent rains over a wide territory have in our opinion offset damage by freeze, and the recuperative powers of wheat are such that one must never give it up until it is actually dead. Rains over the week-end were quite general over the winter wheat states, and there was an additional inch of rain at Dodge City, Kansas, over an inch at Sterling, Colorado, .80 inch in Enid, but probably the greatest benefits were in the Texas Panhandle where both the North and South Plains had a good soaking. This should do some good, particularly on better lands where wheat is still standing and had not been previously damaged. The stations receiving rain are too numerous to mention in a letter of this kind but southwestern Oklahoma reported 2 to 4 inches rain again; so there is some doubt now whether crops will fare as badly as had been earlier estimated even in some of the sections of the country where there had been freezes. Surely there is reason for greater optimism than in some time.

Our market opened somewhat lower but in wheat we always have to bear in mind that prices for the new-crop futures are far below loan levels even taking into account storage charges at terminals, and, therefore, it is a question whether one can expect the extremes that might otherwise be experienced.

There were also optimistic reports from Canada, with Sanford Evans claiming that recent weather has been excellent both for spring seeding and for the harvesting of last summer's wheatcrop. The ground is reported pretty well dried out due to high winds and warm summer weather in some sections. Ordinarily a dry spell which would be good for harvesting would be adverse for bringing in the 1951 crops, but apparently there are no complaints in either direction. Some fields are still wet and will require a week or ten days of good drying weather before spring planting can start. Actually in the northern areas it may be up to three weeks before spring work is attempted. The samples of grain harvested in the three Provinces which have reached Winnipeg showed fairly good grades, and apparently not much damage from having lain in the snow all during the winter months. Should there be a continued period of dry weather and brisk prairie winds the grain in unthreshed fields and also the safety of the biggest stocks of moist grain ever accumulated will be enhanced.

Broomhall reports that flour stocks in Germany are 50% larger than they were a year ago. Wheat is pressing on the local markets at declining prices although rye is scarce. It does show, however, that with the heavy shipments from exporting countries, stocks have been built up and all of the business was not needed merely for current requirements.

Due to communication difficulties, neither the primary movement nor the visible figures were ready before the close of our market. Chicago stocks of wheat showed a decrease of 130,000 bu, leaving a balance of 3,122,000 bu in this market. Corn decreased 649,000 bu, leaving a balance of 14,760,000 bu. Oats also showed a decrease of 417,000 bu.

Washington advices seemed to indicate that the Price Agency is about to put through an adjustment on the soybean oil meal ceiling to $81 per ton, basis Decatur, and evidently there is some action being prepared against mineralized feeds, making this article apparently more unprofitable.

According to The Southwestern Miller, flour business was of small proportions over the week-end. During the session further reports continued to come in indicating the good moisture which had been received in the Oklahoma Panhandle, as well as the southwestern area of that state and the Panhandle of Texas.

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CHICAGO, 4

April 22, 1952

There was some export business reported overnight to Italy, 4 cargoes of hard winters having been sold for May shipment and 3 cargoes for June. The Department of Agriculture reports that 150,000 tons wheat have been scheduled for shipment to that country. This is in addition to a slightly larger quantity that had been destined for Italy during April, May, and June. Apparently the latter is to be outside the IWA program, and this, together with some business to Germany in rye, had a little influence on our market this morning during the early session. The fact that the government was also talking of cancelling ceilings on certain agricultural commodities that were nowhere near the maximum limits had at least a sentimental effect upon the market, although in reality it does not really mean very much, and chances are that some covering and buying has taken place recently owing to the fact that new-crop wheat futures were selling so far under the loan level, and for that reason it is figured that the market would probably not react to bearish influences, such as rains, as would ordinarily be the case.

Overnight weather was just about perfect, with the Southwest benefited again by additional precipitation. Besides that it was clear in the Canadian Provinces so that harvesting operations up there should really be getting well under way. While there is no immediate danger of too much water in the Kansas City area, the fact that they had the floods last year in July is causing a little apprehension now, although officials seem to think that barring a deluge of moisture they have the situation pretty well in hand.

There is still no late news with respect to renewal of the International Wheat Agreement contracts. It has recently been reported that by the time the first pact ends, the cost to U. S. taxpayers will be around $600 million. There are, of course, other exporting countries that will likewise have to negotiate, and for that purpose three officials have been chosen from the Canadian Dominion Government to discuss with other countries and to consider renewal or abandonment of the existing Pact. Unlike Britain when engaged in these international negotiations, Canada has not appointed a representative of the Canadian grain trade, which has had long experience in international markets. It is unfortunate because men of that caliber could give good advice and certainly the existing agreement has resulted thus far in serious loss to the Prairie Province farmers. There has been general discontent among Canadian farmers with the low IWA prices, and it will not be an easy task to obtain improvement in that direction while at the same time fighting world buyers who undoubtedly will press for relatively low prices. It is somewhat different from the situation in the U. S. where we subsidize farmers in order to make up the difference between domestic rates and levels that prevail in European markets.

Visible supply figures were not obtainable yesterday due to communication difficulties. We learned this morning that the wheat visible had decreased 6.5 million bu, and total stocks in all positions amount to 94.6 million compared with 161 million bu a year ago. Corn decreased nearly 2 million bu and stocks remaining in the various markets amount to 50.3 million bu, which is about 7 1/2 million less than at this time last season. Oats declined by 700,000 bu, leaving 8.6 million bu in all markets compared with 11.3 million in 1951.

Contract stocks of No. 2 red winter wheat in Chicago in deliverable position have declined about 45,000 bu from last week and now stand at 787,000 bu.

One of our well posted friends in the Northwest advises that the past week was one of the best they have had for spring work in April for some years. Daytime temperatures generally were over 70 degrees and spring work has started now in virtually all areas except along the Canadian border and northeastern Montana.

Very little new flour business has developed. Apparently mills are not pushing too actively as buyers' ideas of values are far below the quoted limits.

So far this week Kansas City and Minneapolis stocks of wheat show a net increase of 125,000 bu.

It is believed that the new soybean meal ceiling will be announced at 10 o'clock tomorrow morning, Chicago time. If the ceiling should be set at $81 as contemplated in certain quarters and restrictions placed against mineralized meal, with the present low level of oil prices understand conversion would be on an unprofitable basis.

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CHICAGO, 4 April 23, 1952

Yesterday's advance in wheat was due to some extent to improved export demand with Italy having purchased about 2 million bu wheat for May and June shipment. There was additional business this morning comprising at least 4 cargoes, and it was estimated that about 1 1/2 million bu was sold again for similar dates, which apparently took some hedges out of the market, although buying was not very spirited. It was also claimed that Germany is expected to buy nearly $2 million worth of rye on April 25th, but markets had apparently discounted some of this news, with shorts having covered, and as a result there was some liquidation after a somewhat higher opening. At 10 o'clock, Chicago time, OPS announced that the ceiling on soybean meal would be raised $7 a ton, which means that the maximum price will now be $81, the increase being passed along to ultimate consumers. These changes reflected an increase in the parity price for corn, and undoubtedly the government is trying to maintain historical relationships between the price of soybeans and the prices of competing feeds. The Directors of the Exchange met and have permitted a daily advance of $3 per ton until the new maximum price is realized. However, this had very little effect on soybean futures, and apparently the news had been expected and had, therefore, been discounted.

Overnight weather showed some rains in parts of the Southwest but most reporting stations showed a cloudy condition, and this is favorable now as we have had quite a little rain during the past few days, and until the Missouri River passes its crest in Kansas City, it would be much better to have clear skies in order that the damage of July 1951 will not be repeated. Precautionary steps are being taken to raise the level of the dikes and to reinforce them but government engineers are quite optimistic that there will be no serious damage such as we had last season. Generally speaking, crop prospects have improved in those areas where the soil had been dry and where there has been good relief. With 6 million acres wheat land in Oklahoma, it still looks as though we might raise a crop of 80 to 90 million bu if we have average conditions from now until harvest. On the other hand there are some damage reports coming from the Central States, and the first report of a less optimistic nature came from Ohio this morning, where it was claimed that winter wheat damage was more evident than had been previously suspected. The weekly weather bulletin spoke of April 10th freezes again, which had been quite extensive in several southwestern counties of Kansas, claiming that this, together with the mites, might take a toll from the earlier estimates, but on the whole trade seems fairly optimistic that the final results will still be close to the government figure.

Weather in Canada continues favorable and harvesting operations are under way at many points. This eventually means that unless there is a change from the present outlook, finally most of the Canadian wheat, oats, and barley, will be brought safely to farmers' bins, and we also hear that seeding operations are progressing, so that the over-all outlook is good. In Iowa oat seeding is about 79% completed compared with only 22% at this time last year. Illinois oats are about 90% sown and plowing is in full swing, with 40 to 50% of the corn and soybean fields completed. In Nebraska over 80% of the oats are sown, and it is said that wheat is in excellent condition. There has been some lag for Indiana and spring work is a day or two behind the normal, while plowing for corn and soybeans is about 70% finished, with virtually two-thirds of the oats having been sown.

With the heavy exports of wheat that are taking place, it is now reasonable to suppose that total clearances for the year will amount to about 450 million bu. This, of course, is greater than had been earlier expected but poor crops in Southern Hemisphere and slow harvesting operations last fall in Canada gave us that extra advantage. With that in mind we shall probably have a carryover reserve of only about 270 million bu on July 1st. However, if the government's estimate of 1,254 million bu is correct for a combined spring and winter wheat crop, and if we again import 40 million bu feed wheat from Canada and ship only 375 million bu for export in the coming season, our reserve stocks one year hence will be raised to 450 million bu. Under such conditions it is rather difficult to become bullish unless there should be crop deterioration.

Our market today was quite indifferent and there were declines in practically all pits even though the trade realizes that the 90% of parity loan on wheat will not be less than $2.17 a bu on the farm, and it might be a little higher based on increased parity. Beans were under some liquidating pressure, despite the higher price permitted for meal, and trade generally was rather light. Corn was weak.

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CHICAGO, 4   April 24, 1952

The Bureau of Agricultural Economics of the USDA, in their April-May summary mentions that according to the April 1st report snow and rain during the winter and early spring has built up a good reserve of soil moisture in most sections of the country, with the notable exception of New Mexico, most of the wheat area of Texas,western Panhandle counties of Oklahoma, and extreme southwest Kansas.Since that time rather generous rains have occurred, and even in the driest sections relief has been experienced; in fact, a press release from Garden City states that Mr. Erhart, Superintendent of the Garden City Experimental Station, reports that wheat fields damaged by frost and mites in southwest Kansas are recovering "almost unbelievably." Apparently the freeze had more to do with the "brown out" than originally believed. Earlier the damage was blamed on mite infestation but Mr. Erhart now believes that the browned-out wheat may recover sufficiently to make a crop. He particularly mentions Morton, Stephens, Seward, and Haskell counties as the chief areas affected, and where the worst reports had been sent in about mites and other infestation.

The government agency in figuring on a probable all wheat crop of 1 1/4 billion bu, plus a carryover of 270 million bu and possible imports of 40 million bu feeding quality wheat from Canada, gives a total supply for the 1952-53 crop of 1 1/2 billion bu, which would be the largest in history except the years of 1942 and 1943. They forecast the disappearance of wheat in the U.S. as 735 million bu, figuring on an increase in feeding of wheat to livestock. Assuming that exports in the coming marketing year are 375 million bu, the carryover on July 1, 1953, could be around 450 million bu, which would be well above the carryover on July 1st of this year,and above the average. Of course, the actual size of exports in the coming crop-year will depend upon the way crops turn out in both exporting and importing countries, the size of U. S. foreign aid programs, and the extent of stockpiling in importing countries. They figure that less wheat will be taken by such countries as India and France. Less demand may be made on the U. S. in the latter part of the season if the crop in Argentina should produce a surplus. Furthermore, it is not to be expected that the experience in Canada will be similar to this year due to thelimited supplies of quality wheat in that country. The government Department also mentions that with the production about as large as now indicated, prices to farmers probably will show below the loan level after harvest, although as demand is likely to continue strong, prices for the year as a whole should average near the announced loan level estimate in 1951-52.

Winnipeg reports that weather continues very favorable for spring harvesting and our neighbors to the North are experiencing a rather unique situation of harvesting and seeding simultaneously. From what we gather the wheat grades are showing up very well.

The weather forecast is very favorable for all areas of the grain belts, with warmer and fair weather in the Southwest and Northwest. At the moment the winter wheat area needs sunshine and warmth more than moisture.

Otherwise there was very little in the overnight news. It was rumored that Italy bought 2 cargoes gulf wheat but so far same has not been confirmed.

According to The Southwestern Miller flour business continues of small proportion with the spring wheat mills doing a little better volume than in the Southwest. The main feature in our pits this morning was continual liquidation in May wheat and the narrowing of the spread between May and July.

While stocks of wheat in Chicago are of limited quantity, there does not seem to be any demand and the majority of export sales now being consummated involve mostly new-crop wheat.

Broomhall reports that exports of wheat and flour totaled 7,341,000 bu last week. Since the start of the world crop season, August 1st, the U. S. has shipped 342 million compared with 225 million a year ago, Canada 213 1/2 million against 146 million,Australia 71 million compared with 90 million a year ago.

So far this week stocks of wheat in Kansas City and Minneapolis show a net decrease of 108,000 bu.

UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 April 25, 1952

There was very little grain news overnight, likewise the weather has not caused any concern one way or the other. The river waters at Kansas City have apparently reached their peak, and there is more feeling of complacency that damage has been escaped, and so the situation looks much more favorable than it has in a number of weeks. Even many of the fields in some of the poorer districts seem to have improved, and possibly some of the appearance of blight may have been due to the frost rather than to insect damage. We hear of improvement here and there in general outlook, which is certainly satisfactory taking everything into account.

There is not much chance of markets going down every day, despite the reassurance that we are getting that a big crop is in sight. After all, it is difficult to either bear or bull a market on the same news every day. The fact that there has been a good deal of backspreading between May and July wheat has given some strength to the deferred months, and as a result buying of the new-cropfutures has improved the technical position of the market at least to some extent. But by the same token if the narrowing process continues, it lessens the chances for redemption of wheat that is now under the loan. As matters now stand we shall probably have some buying from time to time simply on the theory that if wheat can be had at prices far under the loan, very likely there will be a firmer market later in the season if impoundings are heavy, or if large quantities are at least temporarily withheld from the market. Under these circumstances we may have a more two-sided market with preference, however, given to selling grain on bulges, particularly if crop prospects are maintained.

As we pointed out yesterday, the probable carryover of 270 million bu wheat on July 1st is a corrective step but not permanent in nature. If we should only export 375 million bu in the coming season, our reserve stocks would probably be increased to 450 million bu one year hence on basis of winter and spring wheat yields suggested in the last issue of the WHEAT SITUATION. So with probably more competition from Canada we may not have the export field as much to ourselves as has been the case during the past six months or more. It is now figured that with a little additional business to Italy their April-May-June requirements have been satisfied. There was a total of about 15 cargoes involved and apparently the hedges were covered with the utmost ease. There will, of course, be some foreign business based on the new-crop deliveries, which from time to time will give us some support for the July and September futures, but by the same token we are not too far away from new hedges which will be placed when new wheat is offered for sale.

Weather conditions continue perfect in Canada and if it stays that way practically all the wheat, oats, and barley in the fields that farmers were unable to harvest last fall may be brought safely into the bins. Canadian exports of wheat to the U. S. last week were 1 1/2 million bu, and since August 1st nearly 30 million bu has come to this country compared with only 12 1/2 million last season. Total exports of Canadian wheat and flour for the same period were 220 3/4 million bu vs. 147 3/4 million bu a year ago. Elevator Companies in Canada report that the big bulk of damaged grain has been shipped from country elevators, which is rather encouraging. There is hardly anything being shipped now from the Argentine;due to the small crop less than 2 1/2 million bu has been exported since the 1st of January compared with 40 million bu a year ago.

Kansas City and Minneapolis stocks so far this week show a total decrease of 193,000 bu. When the visible supply is posted next week it will compare with a decrease last year of 1,370,000 bu.

Markets all became very strong after mid-session. There was no special news but pressure was light and there seemed to be a little better investment buying as well as some short-covering. Flour business showed no improvement although The Southwestern Miller said that buyers might be forced into the market early in May as present stocks are apparently small but generally speaking there seems to be a waiting mood. Beans also showed a considerable recovery, and stocks in Chicago are small, but on the other hand processors are not too happy over conversion profits. However, oils turned quite strong.

A good many cash buyers in corn were inactive, and for that reason it was a little difficult to quote the spot market. Top quality, however, was about 4¢ over the future but other varieties, though fairly high in quality, sold on a cheaper basis.

UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 April 28, 1952

In the last publication of THE WHEAT SITUATION, the government estimated that the carryover supply on July 1st of this year would amount to about 270 million bu. This seemed a rather reasonable figure in view of the expected domestic disappearance and the scheduled exports, but when the wheat stocks were published late Friday showing the amount held on farms, in terminals, also the quantities for account of Commodity Credit Corporation, plus merchant mills and interior mills and elevators, etc., there was a reduction of 195 million bu in all positions from the year before. In other words, total stocks in those five positions were only 521 million bu compared with 715 million bu on hand in 1951. Assuming that from this time forward, the over-all disappearance would be about the same, we could only conclude that our carryover reserve would be cut to about 200 million bu, and it is still very difficult to reconcile these figures in view of what had been expected, and in view of the government's estimate on what would probably be left over at the end of the crop-year.

The trade generally must feel about the same way as we do-- that possibly some adjustments will be made and that the lower figure may finally prove to be incorrect. We must also take into account that fully 150 to 200 million bu wheat, oats, and barley has been saved in Canada, and in very few years would it be reasonable to expect that with so much unharvested grain carried into the winter months, the bulk of it could have been brought safely into the bins without damage or deterioration. Had there been a fair amount of spring rain the whole Canadian situation might have been extremely perilous, and we can only be thankful that nature has been so provident, and that the large Canadian yields will probably have been realized in actual bushels through the harvesting of fall and spring operations.

In analyzing stocks of corn on hand, there were also some disappointments insofar as comparisons with a year ago, so that our conclusions point to the possibility of only about 425 to 450 million bu being on hand next October compared with a somewhat larger quantity that had been hoped for in earlier computations. The fact that weather has been so ideal for virtually all spring work, and also, the growth of winter wheat has put other factors more or less into the background. We find estimates for Kansas ranging all the way from 235 to 260 million bu, and several parties to whom we have spoken claim that the outlook is just about perfect. If this is the case there may have also been a betterment of the crop in other states, with the possible exception of Texas, where the outlook is still rather poor owing to the earlier damage. Nevertheless, if we raise about 950 million bu winter wheat and possibly 300 million bu spring wheat, there should not be any scarcity within the next few months and some of the optimism is now being discounted in the market. There has been considerable narrowing of the spread between May and July wheat, not because of any increase in local stocks; actually they have been decreasing, and this week there was a decline of 183,000 bu, so that the total held here is a little under 3 million bu. We will have the figure on contract stocks tomorrow but judging from statistics of previous weeks, we doubt whether deliveries on May contract can amount to more than 700 or 800,000 bu, and maybe quite a little less at first. We do not anticipate that any quantity of wheat can be brought here from outside points. In other words, the narrowing has been due largely to the fact that longs have taken the initiative, and there is still about 14 1/2 million bu May wheat open, so that almost anything could happen to the trading difference during the next few weeks.

Apparently markets were influenced by the fact that there was no great pressure from any source. Saturday's selling had corrected the technical position so that with no further long liquidation of consequence, there seemed to be a little better sentiment all around. Wheat prices advanced moderately but there seemed to be very little new export business and milling demand was likewise slow. A little more business is being pushed for the new crop period, but according to The Southwestern Miller most bakers prefer to look on for a time in view of the fine crop prospects.

There is some moisture expected in the Southwest, starting tonight in western sections and gradually moving eastward. We may also have precipitation in the spring wheat areas, which at this time is favorable.

Trade generally was light and there seems to be no important trend at the moment. Rye was independently weak. Winnipeg receipts are running a little heavier.

The visible supply was posted late in the session. There was a 5 million bu decrease in wheat; total stocks are 89.6 million, or 70 million less than last year. Corn decreased nearly 1 1/2 million bu, leaving nearly 49 million bu in all positions

UHLMANN GRAIN CO.

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CHICAGO, 4 April 29, 1952

Later in the day it is possible that Judge Pine will rule on the validity of the government's seizure of the steel industry. Undoubtedly the decision will be based at least to some extent on the Fifth Amendment of the U. S. Constitution, which states: "No person shall be...deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation." Very likely the Judge will also be influenced by other decisions-- one in particular, in which the Bureau of Reclamation started an irrigation system in California, and later attempted to deprive large land owners of the same privilege in receiving water as compared with some of the smaller land owners who did not fall under the same jurisdiction. The Court held that such limitations on property were not valid, nor were they in conformity with the whole spirit of our constitutional liberty. There may, of course, be other elements, such as national security, but in any event it will be interesting to see how this matter is finally resolved.

When our market opened this morning prices were somewhat lower, and there had been some wonderful moisture in the Texas Panhandle, precipitation being quite heavy on the South Plains, also rains were reported in parts of the Oklahoma Panhandle, so that all in all prospects even in some of the poor districts must have been enhanced. It is likely that there will be further rains in parts of the Southwest, although mostly in the eastern sections, by tonight or tomorrow. Crop reports from the Northwest were not as optimistic as heretofore. It seems that there has been very little precipitation during the week in the spring wheat area, and according to one report at least many farmers are becoming apprehensive because of the fact that topsoil is drying out too rapidly. There have even been reports of surface crusting and a few complaints of dirt blowing. This is rather early in the season yet, and there may be relief, but at least the matter does require more attention.

The official March exports were also given to the trade, and shipments of wheat were in excess of 50 million bu, which makes the total for the first nine months of the season 359 million bu; therefore, we can easily see how for the twelve-month period a figure of 450 million bu may be reached. Other grains, including corn, sorghums, etc., were not shipped in such heavy quantity, and yet 25.5 million bu was cleared. The total to date is 141 million bu, so that exports of all grain amount to 500 million bu compared with 394 million bu a year ago. On basis of this movement it is suggested that we may have almost a record year. Apparently the poor crops in Southern Hemisphere, extra demands from India, and a somewhat smaller movement in Canada last fall, plus subsidies paid by the U. S. government, were all contributing factors in making it easy for us to do this big business. It had been hoped that yields in India would belarger than last year, and as a matter of fact, initial reports on crop conditions were quite favorable. Broomhall now believes that while the yields are still good, they are falling below earlier expectations. His latest estimate is for a wheat crop of about 243 million bu, which was practically the amount raised last season. On the other hand, there is more optimism regarding the planting outlook in Australia where additional rains have fallen in some of the important areas. Planting is now under way in New South Wales where a moderate increase in wheat acreage is expected. Soil preparation in the Argentine, as well as seedings, has made fairly good progress, and a sizeable increase in the acreage has been anticipated, but this will depend to some extent upon regular rainfall. In that country picking of corn is making slow progress. Some people claim that most of the crop will be needed at home, while others anticipate a surplus for export of as much as 60 million bu.

Primary receipts of wheat today, with Duluth and Sioux City missing, amounted to 656,000 compared with 1,078,000 bu last week and nearly 3 million bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 15,000 bu.

After mid-session there was liquidation and hedge selling in cotton, which brought about a sharp decline. This had a sympathetic effect here. Otherwise there was not much news but milling demand remains very slow; even business based on the new crop is showing no signs of improvement. There was strength at one time in May beans with only 484,000 bu in this market.

Tomorrow will be the first day for tenders on May contracts. Deliveries in corn maybe anywhere from 1 1/2 to 3 million bu. The nearby month was relatively strong today. Otherwise no particular feature.

A good many reports from the Northwest speak of the need of a good rain. This includes winter wheat in Montana. However, little damage will be done if precipitation comes in the next ten days or so. UHLMANN GRAIN CO.

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CHICAGO, 4 April 30, 1952

After the close of the market yesterday, new parity prices were published and there was a decline of 1¢ per bu for wheat, while other grains were mostly unchanged. It is always difficult to tell ahead of time how the parity formula will work out, as there are so many factors and commodities involved, but living costs generally have shown a declining tendency, although household furnishings continue to advance, as home building increased seasonally; also, electrical appliances were somewhat higher, although clothing following the Easter period declined, April showing the fifth consecutive monthly recession. The largest break was in wool items and apparel made of artificial fibers. As we have just pointed out, it is a pretty difficult thing to reckon, and the explanation of all this is contained in a 49-page pamphlet issued by BAE.

Probably of more importance was Judge Pine's decision on the seizure of the steel industry. While he realized the terrific consequences of a strike, he also felt that any other decision would, in effect, admit that the President's power was unrestrained, and that any such recognition would undermine public confidence in the very edifice of government as it is known under the Constitution.

Neither of these matters had much of an influence on our grain markets this morning, but there was a slight decline in most pits, probably for the reason that the overnight weather had been satisfactory with some more moisture reported in Kansas and Oklahoma. It also appears likely that there will be some scattered precipitation in South Dakota where we believe seeding operations have progressed rather speedily up to this time.

According to Broomhall, weather in Europe is a little cooler following a warm spell. Most areas report favorably on the crop outlook, and in France wheat and other crops appear to be in generally good condition. The April 1st seeded acreage report shows a small increase over last year. There has been cool weather over Germany with scattered rains also following the warm spell. Crops there, too, are mostly in good shape. The Italian crop prospects are fairly good but there is an increased need for rain in some sections.

There has been an interesting release by the Department of Agriculture, which states: "Nitrogen fertilizers applied on wheat as a urea foliage spray at the tillering state or earlier as a soil treatment of ammonium nitrate increased yields from 4 to 10 bushels an acre at four out of seven locations in limited 1951tests conducted cooperatively by the U. S. Department of Agriculture and State agricultural experiment stations in the Great Plains and other dry-land areas of the West." For more complete details one should write the Agricultural Research Administration in Washington. According to their advice, there were increases which seem to vary with the rate and timing of applications and weather conditions. In cases where weather has been unfavorable, little or no increase in yields was obtained.

Today is the last day for farmers to redeem wheat, oats, rye, barley, and flaxseed that is impounded under the loan. There is still another month for soybeans while the farmer has until July 31st to take up the corn loans. Chances are that with wheat selling at present prices, defaults are apt to be quite heavy, which in turn will leave smaller quantities for the free trade.

Primary receipts of wheat were 744,000 bu compared with 478,000 bu last week and 1,324,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 69,000 bu.

Corn was under pressure during most of the session and with further weakness in cotton there seemed to be no buying power to speak of in any of our grains. Flour demand continues poor and only small business is reported here and there. Soybeans held reasonably well for a time and while stocks in all positions April 1st were nearly 130 million bu, or the second largest on record, it seems that there are only about 5 1/2 million bu at terminals, and apparently the farmer heeded the government's advice tohold back his crop. Farm stocks on the first of this month were 60 million bu.

Deliveries in wheat were light. There was nearly 2 million bu corn tendered but apparently one elevator concern is ready to take the bulk of this grain. There were also heavy tenders on our sorghum contracts and that market showed a little easier tone. Wheat prices were near the season's low and crop reports continue to come in very favorable.

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CHICAGO, 4 May 1, 1952

Ordinarily when there are such sharp breaks in the market as occurred yesterday, the carryover feeling is very bearish, and particularly as margin calls go out to the country it may bring in further liquidation. However, these are not normal times. First of all, we have very high loan levels for the various cereals, and while all of them are not operative at the present time, still there is a good deal of wheat probably that could not be profitably redeemed by farmers, and thus defaults may have been very heavy yesterday when the 1951 loan terminated. This, of course, would have more bearing on the old-crop position, and in fact, some of our cash markets are quite strong, particularly in the Southwest where the premium has tightened a little further, and No. 1 ordinary wheat in that market sold from 10 to 11¢ over the Kansas City May future. Not too much attention, however, is paid to this factor, possibly for the reason that before long new wheat will be available probably in a month in some of the early sections of the country. Thus the mills will undoubtedly buy very sparingly, knowing that they can get their new supplies on a better basis. However, even assuming that the loan basis Chicago will be only about $2.54 a bu in view of parity prices that declined slightly during the past month, it still means that even if a terminal loan is taken the farmer could obtain about $2.43 1/2, which is still slightly higher than the price of our December wheat. Under these conditions, anyone trading in the market has to make a guess as to how far under the loan it is likely that wheat may sell, and, of course, there may be some pressure later on when the crop moves, even assuming that large quantities will again become impounded.

There were some rains reported in parts of Texas and Oklahoma, whole showers were quite general over Nebraska and Kansas and some precipitation was reported also in South Dakota; over the corn belt areas generally fair weather prevailed. Temperatures continue mild over all sections East of the Mississippi River, and are close to normal elsewhere.

In export circles there has been very little activity reported for either wheat or flour, and since the IWA subsidies are no longer obtainable for the balance of the crop-year, we find our exports are showing some decline. Broomhall reports that 6.8 million bu was cleared during the past week, which makes the total since last July 382 1/2 million bu. If we continue at about the present rate we will probably come up to the government's estimate for a total of 450 million bu for the entire 12-month period. Since the start of the world crop season world shipments have amounted to 691 million bu compared with 585 million a year ago. Canada, despite transportation difficulties at the beginning of her crop year, cleared 219 million bu thus far compared with 148 million bu in 1951. Australia fell down by about 20 million bu in comparison with the previous season, and Argentina shipped only 23 million vs. 74 million the year before due to small supplies in that country. Russian shipments were about 9 million bu greater. There was a good deal of talk early in the season that our exports of corn would be heavy but to-date shipments have totaled only 53 million bu compared with 74 million last year. Soybean shipments have also been lighter and 11 3/4 million bu has been placed afloat since October 1st compared with 19 1/2 million last season. Despite some declines for grains other than wheat, it is quite likely that our total exports will compare very favorably with the record exports of a few years ago. Good progress seems to be made in harvesting Canadian crops that had been left in the fields during the winter, while seeding in southern Manitoba is general, with about 80% of the wheat already planted. In northern Alberta they are just getting started but seeding will be quite general next week. The same is true for the Province of Alberta, and by next Monday farmers will all be very busy with their work. Moisture conditions in all three Prairie Provinces are reported good.

Primary receipts of wheat were 450,000 bu with Duluth and Sioux City missing. This compared with 920,000 bu last week and 2,580,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 215,000 bu.

Aside from some liquidation in May wheat there was nothing very much in the way of selling. Apparently there had been much more evening-up of commitments yesterday. The market was thin and when shorts tried to cover they found offerings rather scarce. This gave us fair upturns in the new-crop futures and there were also advances in corn, probably for the reason that the deliveries had concentrated mostly in the hands of one of our elevator concerns in Chicago. Tenders on May contracts were rather light all around.

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CHICAGO, 4 May 2nd, 1952

The hog market has been rising steadily and was very strong again this morning, with some prices as much as 75¢ per cwt higher. This had a bullish impact on corn and our grain market opened rather strong, the carryover feeling from yesterday having been somewhat bullish. We also heard that some beans were being ordered out of Chicago, and since stocks here are already very light, the May future showed further strength. Wheat probably would have been higher also had it not been for a bearish crop report that was given out by one of the private experts. We also learned just after the market opened that the steel workers had been ordered back to their jobs by Phillip Murray, and as a result the stock market advanced rather sharply, as it was figured that there would probably be a settlement shortly, particularly if the government granted an increase in price.

The report on winter wheat to which we just referred showed total production of nearly 977 million bu, which compared with 946 million bu shown by the government last month. This is not a record, as we raised more than a billion bu in 1947 and again in 1948. However, it is a wonderful comeback considering many of the crop handicaps that had to be overcome. Texas still shows the effect of an early drought, and the yield for that state is said to be about 36 million bu. We had a wire from our Amarillo Office stating that recent rains had been very beneficial to the winter wheat crop in Texas and that much improvement had taken place. Opinions now are to the effect that the damage from freeze was probably very small. Quite a bit of the territory has had rain and wonderful comeback of the crop should be realized. Therefore, later reports may show a greater improvement than indicated at present. The Kansas wheat crop is privately estimated at about 251 million bu, while 84.7 million is indicated for Oklahoma, and 97.3 million for Nebraska. Good yields are also to be expected in the soft winter wheat states, which is important as we derive much of our grain supply in Chicago from the nearby areas.

In Canada the news is somewhat mixed, probably 80 to 85% of the grain that had been left out during the winter has now been harvested, and in many districts the work has been entirely completed. Unusual weather conditions continue in Western Canada, but by the same token not much moisture has been reported, and for the middle of April precipitation had been far below normal. This situation is quite general and more reports are coming in that farmers have stopped seeding because of dryness of soil, and apparently the same situation prevails also in parts of North Dakota. A good soaking rain in the spring wheat area will be needed soon if we are to have normal crops. All that can be said at this time is that it is still early but the trade will be watching that factor carefully. In years to come it may be easier to conserve moisture in the soil during periods of excess. The new soil-conditioning preparation, called Krilium, to which we have previously referred, is not yet on the market. When it does appear it will probably be too expensive at the beginning for general agricultural use. This chemical has aroused unusual interest throughout the world because of its ability to make tight, gummy clays as friable and crum-like as good garden soil. Eventually, it is hoped that it will be available to both foreign and domestic markets on a more economical basis.

Primary receipts of wheat were 632,000 bu, with Indianapolis missing. This compares with 756,000 bu last week and 2,675,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 245,000 bu. When the visible is posted on Monday there will probably be a shrinkage; last year it increased 276,000 bu.

Markets were firm early but after shorts had covered wheat prices reacted and the same was true of corn. Oats had a little better undertone early but northwestern interests are apparently selling May oats in this market. CCC receipts comprised a good part of the corn arrivals here in Chicago but they were trying to obtain 5 to 6 over the May future for their grain, while the best price otherwise seemed to be about 4 1/2¢ over.

We heard of two cargoes of Canadian oats totaling 850,000 bu that had cleared Fort William and destined for Buffalo. Milling demand was again inactive and with export trade also light there was no commercial demand of importance. Wheat still does not show much trend in either direction, and while no one is pressing it on breaks there seems to be little urge for investment buying, although continued dry weather in the Northwest might create a better sentiment later on. For the time being rallies fail to hold.

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CHICAGO, 4 May 5, 1952.

For sometime now weather has hardly been considered a factor in grain markets. This is probably due to the fact that we have had moisture with intermittent regularity in the Southwest, with the result that crop prospects have generally improved even though some sections of the country, such as Texas, did not do as well as the main belt. The last private estimate for a crop of 977 million bu, if realized, would give us practically as much wheat as we raised a year ago in both spring and winter wheat sections, so that even some setbacks should not be regarded too seriously, but at the same time there seems to be a little more apprehension now. Seeding in our Northwest has progressed satisfactorily, but chances are, unless there is rain soon, that there will be crop scares of one kind or another, and the same might even be true in Canada, although their season is a little later than in our Northwest. The two Canadian Railways have just recently issued their first crop reports, and field work has gone along well with southern Manitoba probably having 75 to 90% of the wheat already in the ground, and seeding is now becoming general in Saskatchewan. However, in Alberta it will not be general for ten days or two weeks. Surprisingly enough, it is claimed that moisture conditions are generally excellent except in southwest Manitoba where there is a deficiency of both surface and sub-surface moisture. Reserve moisture available for the coming crop is now indiciated as 36% above average, which, of course, is very satisfactory. We had a wire this morning that good rains had fallen in Saskatchewan, but they were light in Alberts, but the dust was blowing in Southern Manitoba. Over the weekend temperatures were rather high in the corn belt with no precipitation, and there, too, we have to watch weather conditions rather carefully, as there are bound to be complaints if we do not get relief soon. We also heard scattered talk about dry weather in the oat belt, so as mentioned above more attention is being given to these factors than in some time.

According to the Department of Agriculture of the 270 million bu wheat in the carryover it will probably be divided evenly between the free market and the CCC. The government expects to take over 65 million bu in loans through the Minneapolis office and 35 million bu in Kansas City. The present stock on hand amounts to 75 million bu but with the sales that are probable between now and end of the crop season, it should bring government holdings to approximately 135 million bu. In our calculations we should not overlook the fact that wheat harvesting in Canada has made wonderful progress. With so much grain left in the fields last fall, it was always problematic as to the amount that could be safely secured. Most fortunately the snow in general disappeared sometime in March and April, and thishas proved to be not only one of the warmest but one of the driest Aprils on record. In short, conditions have been exactly right for drying of last year's crop and for consequent threshing this spring. The quality was hardly impaired and the grain is almost bone dry with many reports coming in showing wheat being threshed at 12 1/2% of moisture compared with 14%, which is normal. Because of this dry condition it is possible to market it immediately.

It was reported that a steamer had cleared Fort William Saturday with 570,000 bu of oats, and that another was clearing today for Chicago, and one for Buffalo.

Markets today were all strong, corn was influenced by the strength in hogs, where prices ranged from 50¢ to $1.00 CWT higher. Some apprehension has been expressed over the dry weather in the spring wheat territory, with no sign of moisture at the present time. Stocks of wheat in Chicago decreased 147,000 bu, leaving a total in this market of 2,792,000 bu. The Southwestern Miller reports that sales of flour over the weekend were extremely small, and that inquiries are small in numbe and that the trade does not seem to be perturbed over the occasional flurries of strength in wheat. The May future in this market showed greater strength than the more distant months, and the final outcome in May is still somewhat problematic.

With Milwaukee missing, the primary receipts of wheat today totaled 744,000 bu, vs 1,057,000 bu last week, and 3,257,000 bu on comparable day of last year. When the visible was posted, wheat showed a decrease of 2,788,000 bu, leaving a total of 86,838,000 bu, or about 73,000 bu less than a year ago.

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CHICAGO, 4 May 6, 1952.

Cash receipts from farm marketings in the first four months of this year are estimated at $8.7 billion; this is 3% more than in the corresponding period last year. On the other hand, prices paid by farmers for production items, which include interest, taxes, wages, etc., averaged 5% higher during the same period. The total cost of farm products will probably increase moderately for the balance of the year, according to the Department of Agriculture, with all major expense items contributing to the rise, except for purchased livestock. On the other hand, prices of feeder livestock are expected to average lower than last year, so that farmers' expenditures on this item may be down a little. Chances are that expenditures for feed and fertilizers will rise possibly as much as 8 to 10%.

There was no important news before our market opened this morning, except that a few unexpected rains had fallen over the corn belt. These were mostly over central portions of Missouri, Illinois, Indiana, and Ohio, and averaged up to 1/4 inch, but elsewhere there was very little precipitation. Temperatures have fallen a little, and chances are we may have some scattered showers tonight in Montana and western portions of the Dakotas. The outlook for the Southwest is also favorable in that there may be scattered showers tonight or Wednesday, mostly in the western and southern portions. Weather, which had been quite important yesterday in boosting prices, did not have the same influence this morning. As a matter of fact we had a few minor reactions, although trade was not particularly heavy around the opening. Soybeans declined slightly on a report that conversions were not on a profitable basis, and the Staley Company at Decatur was closing down until a better relationship prevailed. There was also a threat that one or two other large companies might follow suit.

Broomhall is of the opinion that India may produce slightly less wheat than last year, and if this is the case it will mean that a high rate of imports during the next twelve months again will be necessary. There have been no estimates on Pakistan, although preliminary advices have been favorable. Should they emerge with a good harvest, it could be an important source of supply for India, although at best it would only take care of a part of those requirements. It does seem a shame that because of the new political boundaries that there cannot be better cooperation in order to avoid the long haul of grain from other countries. European crops are satisfactory, with France in particular hopeful of large yields, and may, therefore, have an excess for export. Broomhall says that some estimates appear unduly optimistic, but it is quite likely there will be sufficient for home needs and possibly a surplus. Seeding in the Argentine and in Australia is gaining momentum, and there are indications of larger acreages for both countries. It is not too certain in Australia, but at least for Argentina a fairly good increase of wheat planting is in sight. Because of reduced production this season in Australia, that country will not be able to fulfill her 1951-52 IWA quota, and accordingly she has transferred 5.6 million bu to Canada, and the balance of 11.3 million bu to other exporters to be decided upon later. The amount the U.S. still has left for shipment is only about 2 million bu.

Primary receipts of wheat today were 711,000 bu compared with 656,000 bu last week, and 3,002,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 125,000 bu.

While there was not quite as much apprehension felt about crops as yesterday, we have to assume that a good part of the Northwest needs a good general rain. Temperatures, it is true, have moderated over the entire area, and if they would stay cool we might go quite a while yet before any real damage might develop. However, this is the season of the year when there should be rain, which is quite understandable, otherwise, there may be some real damage reports later on. The hog market was unchanged, but recent advances have been quite substantial, and not too much attention was paid to it. The corn market seemed to derive some benefits from the firmness in wheat; as a matter of fact, there was very little pressure, and Tuesday's receipts are generally light; however there were 140 cars estimated for Chicago, while a good percentage probably represented CCC stocks. Milling demand was still very disappointing, and there was some easing in the cash wheat markets Southwest, but in spite of this May wheat in Chicago continued strong, and with dwindling supplies here we find the nearby delivery selling now at a big premium over the new-crop months. There was very heavy buying of July beans toward the end of the session.

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141 W. JACKSON BLVD.

MEMBERS:
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WINNIPEG GRAIN EXCHANGE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 7, 1952

It was not so long ago that potatoes were a glut on the market. We were trying to use them for fertilizer, in some cases destroy them, and where possible export them at a cheaper price, but since that time price controls have come into play. In 1951, we unfortunately had a small harvest with about 100 million bu less than the year before. This was due partly to weather, also to reduced acreage because of low prices, but whatever the reasons may have been, consumers are now willing to pay seed potato prices in order to get something to eat. In some markets we are actually out of this staple, so that with ceiling prices keeping costs down it means very little to the buyer if he is unable to get his product.

It is another experience showing the fallacy of controls. Our economic system is so intricately and delicately adjusted that few people realize what regulation very often does. This is true not only of farming, but in industry as well. Unwise decisions or the adoption of unsound policies are almost certain to do irreparable damage. In our present economic crisis, the job-maker is played up as either being unfair or unwilling to go ahead in granting wages being demanded by workers. It should never be forgotten that it is upon his willingness and ability to take risks and assume responsibilities for profitable operations, that our entire welfare depends. Unless the employer can be rewarded in some way commensurate with those risks involved and services rendered he cannot long stay in business. If he is not provided with a favorable climate in which to operate, or if he is harrassed and harried at every turn, he can hardly be expected to perform the essential functions toward which he has always contributed.

Our markets this morning were subjected to a little more two-sided thinking. Rains were reported both in the Northwest and Southwest, while not heavy anywhere, the map continues to look unsettled, and further relief is expected rather generally. There were light showers reported in Manitoba and Saskatchewan, which also were helpful. The most crying need for moisture comes from our spring wheat areas, but with some rains at Minneapolis, Fargo, Grand Forks, Bismarck, etc. there is at least some reason to feel a little more optimistic at this juncture.

It is interesting to note that even with about 155 million people in this country there are less than 24 million of them living on farms, while in 1910, with a population of 92 million, we had 32 million living on farms. There must be some reason to account for the fact that we were able to produce so efficiently, obtaining much higher production than we did 42 years ago, and still maintain our tremendous export markets. Better seed, improved fertilizers, of course,are contributing factors, but chances are that all this would not have been possible except for improved machinery, which has come into play. The number of tractors on farms continues to increase; there were 3,940,000 on January 1, 1951, or an increase of 1.5 million since 1945. The Bureau of Agricultural Economics estimates that because of the increased use of mechanical power farmers required 10 billion gallons of liquid petroleum fuels in 1951, about 4 billions were for tractors, 2 billions for automobiles, 1 billion for motor trucks, and the remainder for stationary motors and miscellaneous forms of household uses. It all goes to show how we have surged ahead, even in the last decade toward making agriculture a very important industry.

Primary receipts of wheat were 947,000 bu compared with 744,000 bu last week and a million bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 383,000 bu.

Markets were influenced by better weather, also heavier offerings of corn from the country; possibly some of the shippers are trying to benefit from freight rates before the increase goes into effect. There was also a better country movement of soybeans and in the Northwest several processors are said to have withdrawn from the market. More oats are coming to Chicago from Canada, and we understand some are also destined for Buffalo. Volume of flour business was small and hardly anything is heard now of new export business.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 8, 1952.

Late yesterday installment buying controls were suspended by the Federal Reserve Board, and this news created a rather firm tendency in certain securities particularly radio shares and finance houses that would naturally benefit by this ruling. While most companies have suffered since the new taxes have been levied, and even those whose business had shown improvement, there can be no doubt that we are still in a prosperous era, with something like 60 million persons employed, and gross national product for the first quarter estimated at an annual rate of $339 billion, which is a new peak. This represents an increase of $4.4 billion over the final quarter of last year, although the largest percentage of gain was accounted by defense expendtitures. To what extent labor difficulties will change the general picture is difficult to say at this time. Few people realize that compensation to employees constitutes about 90% of costs. Therefore, those costs by the very nature of things have to be reasonably flexible, otherwise the high pay of the few would imperil the jobs of many. If the wage rate system is not flexible, then it will not be possible for management to provide for a high level of employment, such as we are witnessing at the present time.

When our market opened this morning, prices were a little lower, the weather map showing an unsettled condition both Northwest and Southwest. Rather heavy rains were reported in northwestern Kansas, and practically all the reports we have this morning from various offices show an unbelievably fine prospect for the wheat crop. Some say it really sounds too good to be true, but taking Kansas as a whole it almost looks like a bumper yield unless some reversal should take place within the next two weeks. Over almost the entire territory there seems to be optimism and many places characterize the outlook as being a "garden spot;" in fact, wheat is heading out around Hutchinson and is in nearly perfect condition there, while in St. Joseph, Missouri, all processors say that wheat and oats look the best in years. We had a report from Salina which said that wheat in that territory was perfect, and more fertilizer is being used each year, which naturally increases the yield considerably. While rains in the Northwest were not general, there still seems to be a chance for more precipitation to follow, and with lower temperatures now there has been improvement.

Meanwhile our wheat and flour clearances are beginning to reflect the smaller business of recent weeks. Only 4.3 million bu was exported in the past week, according to Broomhall, and since July 1st we have shipped 387 3/4 million bu compared with 273 3/4 million a year ago. U. S. corn exports last week were 1 3/4 million bu, and since October 1st we have shipped 52 million compared with 80 million last season. Hardly any soybeans were exported the past week, and since October 1st, 14 1/4 million cleared, a reduction of 7 million bu from the year before. Oat exports are negligible, less than a million having been sent abroad during the entire season.

The Canadian wheat visible increased heavily. There is 212 million bu reported, certainly a large figure, but with the fine weather they have had for harvesting operations, grain seems to be coming from the country in large volume.

Domestic mills are going very slowly in their operations, and premiums on cash wheat were again a little lower yesterday. CCC was reported selling some #3 and lower grades at practically equal to delivery values with the likelihood of increased liquidation from that source as loan defaults are taken over.

Broomhall's foreign crop summary claims that generally well distributed rains benefited winter and spring crops in Europe and the outlook is favorable.

Primary receipts of wheat were 698,000 bu, with Duluth and Peoria missing; this compared with 450,000 bu last week, and 3,005,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 454,000 bu.

In spite of the fine crop reports there seemed to be a better undertone to the market, and most of the buying was based on less favorable news in Korea, — although the latter had very little influence on securities. In any case, corn became quite strong, and wheat also advanced with almost complete inactivity in flour business overnight. Until there is good general rain in the Northwest we may not have much pressure. Meantime, new buying power is not too urgent. Nearby oat futures were very strong.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 9, 1952.

Unemployment in this country is virtually at a irreducible minimum. We are taking a good many things for granted, particularly the fact that 60 million people are now gainfully employed. While part of this is due to the defense effort, we should not ignore the fact that the perpetuation of our economic system has always been dependent upon a constant flow of fresh capital. When savings are effected and surpluses are increased this permits business to plow earnings back into business, and thus provide more jobs. Very likely our unparalleled progress in this country can be attributed largely to this single factor. The money invested in machines and in new research developments has certainly made it possible to multiply many-fold the contributions to labor, and thus to increase purchasing power. Under our capitalistic system labor has always received a large share of the returns of industry. For example, in 1951 the amount paid out by American industry in the form of employee compensation was nineteen times the amount distributed in the form of dividends. Consequently, it shows that workers have far more at stake than the capitalists in the preservation of American business enterprise, and by the same token they should feel deeply concerned in trying to maintain that same system which has brought about these results.

When our market opened this morning there was not much to influence it one way or the other. Undoubtedly there had been heavy short-covering yesterday on less favorable news from Korea. While there was no improvement overnight, news from the Far East was no worse, and as a matter of fact there has existed a stalemate in negotiations for a considerable length of time. There were some nice rains in central and eastern portions of Kansas, with over an inch received at Salina. Showers and thunderstorms also occurred over the corn belt, covering many sections of Missouri, Nebraska, Iowa, and western Illinois. Showers were reported at a few points in Montana and South Dakota, but were almost too light to mention. The latter is about the only weather element that is of real importance right now owing to the previous drought which had prevailed, and during the past three or four weeks hardly any relief has taken place.

The situation in Canada is considerably better and according to the Searle Grain Company Ltd. report, this growing season on April 1st started with a reserve moisture for the three Prairie Provinces of 136% of normal compared with 90% last year. Rains that have occurred this year fromApril 1st to May 5th have averaged only 48% of normal compared with 99% for thesame period last year. All this means that, despite the low April rainfall, the outlook is still for an average yield next fall, provided, of course, that average rains are received from now until end of July.

So far this season Southern Hemisphere shipments of wheat have been very small owing to the small crops. Since January 1st, Argentina has shipped only 2 1/2 million bu vs 45 1/2 million last year. Australia during this same period shipped 28 million against 40 million last season. In that country there is remaining for export and carryover 73 million bu compared with 100 million last year. Broomhall tells us that the Italian crop will probably exceed 257.6 million bu compared with 253 million harvested in 1951. These figures came from the Italian Minister of Agriculture.

Primary receipts of wheat amounted to 648,000 bu --about the same as last week, and compared with 2,641,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 500,000 bu. We shall undoubtedly have a decrease in the visible next Monday, while a year ago there was an increase of 2 1/2 million bu.

Trade was not particularly active, but there may have been some evening up in wheat prior to the issuance of the government report that will be published later in the day. The Department will show the acreage of wheat and rye for harvest, also the percentage of acreage not harvested for grain, and the yield per acre as well as production. No great changes from the private estimate are looked for, but in any case, after the short covering which took place yesterday, with the limited demand for flour, and practically nothing in the export field, there was a little more pessimism as hardly any hedges were taken out of the pit, thus the business was of a non-commercial nature.

Corn held reasonably well despite the fact that the government continues to sell, and a good part of the daily receipts here in Chicago constitute CCC business. There was a little reaction in soybeans, and processors are still complaining about conversion profits. The country is selling in better volume.

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DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 12, 1952.

The government report issued last Friday confirmed the rather brilliant prospects for the winter wheat area. Since that time there have been a few points over the weekend that report freezing temperatures, including Garden City where the wheat is more advanced. Possibly there has been some damage but temperatures have now moderated.

In analyzing the government report, an outturn of 541 million bu is in prospect for Kansas, Nebraska, Oklahoma, Texas, and Wyoming against an actual crop of approximately 273 million last year, and the ten-year average of about 434 million bu. Production per acre is very heavy with very small abandonment. In the five soft winter wheat states: namely, Pennsylvania, Ohio, Indiana, Illinois, and Michigan, there is a prospective crop of 177 million bu, or 36 million larger than produced last year and compares with a ten-year average of 146 million bu. More apprehension has been felt over the dry conditions which have prevailed in the spring wheat territory, but we are in receipt of a letter today from one of our friends whom we consider very well posted, and who made a trip through some of the territory last week. He reports that the whole northern part of Montana had had a very good rain the previous Saturday night and again on Monday night; the northeastern part of the state received about 3/4 inch of rain, the central area about 1/2 inch, and up to 1 1/2 inches in southern areas. With the generous subsoil moisture crop prospects in the area covered are excellent; in fact, he states, never better. He reports that there is a small area around Great Falls where there has been wind and cutworm damage, with some reseeding. However, winter wheat in that area looked good. The southeastern area of Montana was not as fortunate but with some moisture which they received, the crop is progressing. The rains seemed to shut off at about the North Dakota line where only light showers were reported, but in the western part of the state most of the grain goes in on summer-fallowed land and that there was sufficient moisture so that late seeded grain is coming up to a nice stand. In the northeastern part of the state the early seeded grain is up to a good stand, but that is only a small part of the acreage. The later seeded grain is coming up with a very ragged stand and will be poor unless moisture is received in the near future. The northern end of the valley looks rather good although seeding has been discontinued until rain is received. As far as South Dakota is concerned, our friend has not made a trip through that territory but he understands the crop is coming along satisfactorily.

Indicated rye production of 17,795,000 bu is, of course, a very small crop and compares with a production last year of about 21 1/2 million and a ten-year average of 28 million bu, and it appears likely that we will probably have to depend on some importations to meet requirements.

Considerable progress has been made in the planting of corn. It is estimated by one source that probably 55% has been planted across Nebraska, Iowa, Illinois, Indiana, and Ohio. This is a rather heavy percentage for this time of year, and decreased the chances of damage by frost.

U.S.D.A. reports that during the week ended May 6th, CCC confirms sales of 10,000 bu wheat, including wheat and flour equivalent, under the IWA Agreement. There are only small balances now left to complete quotas. The U. S. has only to ship 2 million bu to fill their requirements, Canada a little over 4 1/2 million bu, and Australia 6 million bu. The total remaining to complete all shipments under IWA is slightly over 15 million bu.

With Milwaukee missing, primary receipts of wheat today totaled 1,142,000 bu vs 744,000 bu last week, and 2,060,000 bu last year. When the visible supply was posted wheat showed a decrease of 2,759,000 bu, leaving a total of 84,079,000 bu, or approximately 78 million bu less than a year ago. Chicago stocks of wheat decreased 180,000 bu, leaving a balance of 2,612,000 bu. Beans decreased 238,000 bu, leaving stocks in this market at 388,000 bu. Rye decreased 475,000 bu, while oats increased 1,421,000 bu.

It is reported that Austria will be in the market on May 15th for 1 million bu of wheat. The U K bought some Manitobas out of the Pacific Coast; otherwise we heard of no export business. Although flour prices have undergone a rather sharp setback, according to The Southwestern Miller, business has picked up only to a disappointing extent. However, levels are now reaching the point where they may bring out some increased activity. Meanwhile premiums for cash wheat in Kansas City showed further weakness, and have declined considerably during the past ten days.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 13, 1952.

There was not too much grain news overnight, and while the frost of last Sunday may have done some damage in western Kansas, it is probably too early yet to get accurate determinations. Some of our friends who have made investigations are of the opinion that the temperature drop was not of sufficient duration, with the moisture on hand, to have taken a heavy toll, particularly as the rise in the thermometer immediately afterwards may have prevented anything of a more serious nature. It is, however, getting along in the season, and we are not having the moisture either in our Northwest or in Canada that one would expect at this time of year. It was dry during the month of April in both areas, and while April is the time for the proverbial showers, weather men tell us that often we get more moisture in May, but even now this is not proving to be the case, although there was some relief. We reported rather optimistically in yesterday's letter about conditions in Montana and North Dakota, where apparently crops are looking surprisingly well, considering that the precipitation of late has been only spotted at best. There is so little relief in the spring wheat territory that pressure on our markets will be comparatively light, although with the winter wheat crop progressing satisfactorily and an estimate of nearly 1 billion bu given by the government, there is no reason to become alarmed in sizing up the situation as a whole.

An Associated Press report said that the U. N. Food and Agricultural Organization was quite pessimistic over the fact that giant locust swarms are threatening the entire food supply of agricultural countries from Africa to Asia in the worst plague of the century. A new generation of young locusts soon will be on hand threatening the cotton and grain of the Nile Delta on one side and the rice fields of India on the other.

Not too much attention was paid to this at the start; in fact, after the broadtape statement was published, there appeared to be a little selling, possibly some realization of profits by local traders who had made large purchases earlyin the day. The cash basis at Kansas City was slightly higher but there has been a loss of about 8¢ a bu in cash wheat sales as compared with the high point registered a week or ten days ago. That so often happens at the end of the season when only limited buyers are on hand and not too many people are willing to pay a big premium when they know that new crop supplies can be had a little later on a better basis.

The Occident report this morning was somewhat mixed. They said that early seeded grain is still looking well but later seedings are somewhat ragged or else the grain has not come up yet. Additional moisture is needed for germination. Most points, however, claim that seeding has about been completed and the little that is left is apparently being held up until after the rains. They also stress that a good general rain is needed over the entire territory. There was no moisture of consequence in Canada and nothing much forecast. The five-day weather outlook for our spring wheat area is not anticipating more than a little scattered rain here and there, while high winds in northern North Dakota have caused blowing in some fields so that these are factors that will require increased attention as time goes on.

Primary receipts of wheat were 1,132,000 bu compared with 711,000 bu last week, and 2,237,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 156,000 bu.

There was some improvement in the milling demand, although not marked. We saw little evidence of hedges being taken out of the pit, there was, however a better sentiment, particularly with the strong markets in corn and beans, and higher prices also for the deferred futures of rye. The latter, of course, is deriving some strength from the government report issued on Friday, which showed a heavy loss as compared with other years. The fact that there were only 33 cars of corn in Chicago, of which 23 comprised CCC holdings, naturally had an influence, but there was considerable local buying in corn, pressure on the market was light, and the line of least resistance was on the constructive side of the market. The spot corn basis was firm, buyers apparently willing to pay a premium of about 5¢ per bu over the May future. Heavy buying of beans boosted that market.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 14, 1952.

While inflation has spent its force for the time being, we still have to realize that the national security program is still the major factor in the over-all picture. According to current schedules spending for defense will continue to rise until the end of this year and then possibly level off. At that time defense expenditures will probably take up 17 to 18% of the total U.S. spending, both private and public compared with 14% in the first quarter of this year. Consumer-spending is also likely to pick up moderately. There is often a lag during the summer months. Some of the goods that were bought during the price waves after Korea are wearing out and may have to be replaced.

Our market this morning was rather firm at the start but in wheat we see no real issue at the moment. There has not been sufficient relief in the Northwest to reassure traders that we are going to have as large a crop as the government had figured tentatively in its estimate. There were a few light rains, probably not more than one-tenth inch in Minnesota, Montana, and South Dakota, but hardly anything in North Dakota, which after all is one of the big spring wheat producing areas. There will probably be unsettled conditions, but rain if it falls will be mostly in the eastern parts of the Northwest.

Broomhall's Foreign Crop Summary speaks of favorable weather conditions over most of Europe and a number of sections which have received rains, so there is a marked absence of complaints. Mild weather is now reported in France, with intermittent but abundant showers. Growth has been vigorous and wheat is expected to head out in about two weeks. Trade advices indicate the possibility of a large outturn. Weather is likewise favorable for Italian crops, although acreage is somewhat less than was first expected and may be smaller than last year. Mostly favorable conditions continue in Western Germany, while in the eastern sections there is some importing of grains from Soviet Russia. The same authority tells us that weather is favorable in Australia for wheat planting, with the growing expectation that acreage will show some increase over last year. Rain is needed in many sections of Argentina to facilitate plowing and the seeding of wheat and other grains. Quite a little planting had taken place early but recent dry weather has slowed up theactivity.

We have notheard too much about the outlook in Canada except that April was a rather dry month. However, showers in western Canada occurred last night and were best in southern Alberta but rather light elsewhere. Further showers are forecast but nothing of a general nature, and from what we are told a good soaking rain should be had in order to insure best results.

Some attention was paid here to a rather sharp break in cotton prices but corn held reasonably well. There is not much pressure from the country but CCC continues to liquidate its holdings. Nevertheless, stocks of corn, oats, and barley on April 1st were about 16% smaller than on the same date last season. Likewise the trade is mindful of the fact that the disappearance of corn in the first half was the heaviest in recent years, probably due to the fact that farmers fed high moisture grain heavily. It is thought that corn supplies this spring and summer will probably be fairly closely adjusted but weather for the new corn crop is generally satisfactory and considerable optimism prevails.

Primary receipts of wheat, with Duluth, Minneapolis and Sioux City missing, amounted to 983,000 bu compared with 947,000 bu last week and 903,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 347,000 bu.

Trade was rather moderate but there were no sensational reports today, such as the locust damage in Africa and Asia that we had yesterday. Flour business showed no sign of improvement, although moderate business has been transacted, but there are not many hedges being taken out of the pit. Generally at this season of the year there would be some inquiry based on new crop delivery. We also find export inquiry rather light, and heard only of some wheat business to Britain via the Atlantic, and two cargoes of #5 Manitobas having been sold to Germany. This is supposed to conclude the intended purchase of 350,000 tons of Canadian wheat. Without much incentive to buy, our market drifted lower, and there was no heavy liquidation.

Beans were relatively steady, at least as far as the May future was concerned, and corn held reasonably well until the last when declines set in. There was some weakness in rye with the May future going to a small discount under later months, and chances are that some of the Canadian rye coming here from Canada may find its way to satisfy short positions on the nearby contract.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 15, 1952.

There has not been too much stability to the wheat market during the past few weeks, and as a matter of fact most of its strength when it came was derived from firmness in other cereals or occasionally from reports that there might have been some deterioration in crop prospects. The outlook for winter wheat has been well maintained except possibly for a few areas where there may have been setbacks although even the recent frosts are not assumed to have taken much of a toll from what is regarded as a billion bushel crop possibility. We also had a little buying flurry one day when FAO came out with a rather sensational report on the possibility of locust damage in the Far East. Even that, however, has been minimized, and according to Broomhall, whose reports on international affairs are highly regarded, at least part of the danger is passed, since measures have been taken to combat the invasion, and in the opinion of that expert damage was checked sometime ago. He figures that Syria will probably have large crops of wheat and barley following the excellent rains. We also had news this morning that rather unsettled conditions might bring relief to parts of the Northwest. Rains are expected in western portions of the Dakotas and while it may not be heavy at least this seemed to have tempered whatever bullish enthusiasm we have had lately, and the net result was that shortly after the opening we had a fair amount of pressure, with new buyers apparently not too eager to make new commitments. One has to assume now that the loan will be effective during the coming season, the same as it has been in other years. With that in mind, and with July wheat selling fairly well under such levels, we do not find the short side too attractive, although it would not be surprising to see further declines, particularly as we get closer to a movement. The truth of the matter is that there is always some wheat that finds its way to market so that the entire crop is not impounded.

The Chicago corn-hog ratio this past week was 10.5 compared with 9.6 a week ago and 11.5 last year. This showed considerable improvement and there was another rise of 75¢ to $1 in hog values this morning, so that first corn prices were somewhat higher, but the advance attracted heavier offerings from the country.

Clearances of wheat and flour during the past week were a little better and 7.8 million bu was exported, which brings the total for the season to 396 million bu compared with 287 million bu a year ago. On that basis we might easily reach the goal of 450 million bu that has been so frequently heard. U. S. corn exports last week were 814,000 bu and since October 1st 52 1/2 million bu was shipped from here compared with 82 million bu a year ago. Rye exports were 334,000 bu, and since July 1st have amounted to 2 1/2 million bu, which is almost equal to the quantity we shipped the previous season. Some rye is coming in from Canada, and undoubtedly quantities would have been heavier had Canadian farmers been able to move the crop, but unfortunately rye was way down on the priority list, and a large part of the supply was held back in the country. The prospect is for a 16% reduction in the rye acreage on next summer's crop, so that we may not have too burdensome a supply, but much still hinges on weather.

Primary receipts of wheat were 722,000 bu compared with 698,000 bu last week, and 2.6 million last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 385,000 bu.

Markets were rather weak until the last hour or so when there was some recovery. We understood that shippers had bought back from exporters large quantities of corn previously sold to them, but apparently this was not too much of a factor, except for a short period. Milling demand showed some improvement but there is no important volume of business.

May beans were strong, probably for the reason that shorts are on the defensive with a large open interest, and only small quantities available in this market for delivery. However, May oats were weak, and with the heavy imports and some tenders today, more will soon be made unless hedgers can go over to the deferred months at a better differential. Markets in general responded to hopes of more government restrictions being lifted.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 16, 1952.

The hog market had been very strong yesterday, and there were further advances this morning, with most types selling $1.00 to $1.25 per hundred higher, and thus it is quite evident that gradually a better relationship is developing as far as feeds are concerned. For a long time the hog market was depressed, and farmers did not find it too attractive to maintain livestock numbers, but on the other hand it always takes some time to liquidate, and very often there is a six-months lag before some improvement takes place. It was almost a foregone conclusion that lard and corn would be higher; in fact, all oils including bean oil, cottonseed oil, etc. advanced, and there seemed to be a better sentiment in the various pits for these reasons. Beans were also strong, and the trade figures that with the large open interest, very likely one of the larger processors may stand for delivery. This has had a bullish effect for some time on the nearby delivery, which is selling at a good premium over the more deferred months. The available stocks in Chicago are light, but we also heard that some Minnesota beans might be coming this way for delivery and that a fair quantity had been purchased overnight in Iowa.

After the close of the market yesterday, tenders on May oat contracts were heavy, and while a part of the deliveries has apparently been taken by cash houses, we believe that other tenders are circulating; thus, the nearby future widened its discount under the May and later months. It also had the effect of cutting the premium of cash over the future, although this tendency had been noticeable even before the deliveries were made, yet it may have been assumed that with the heavy imports fromCanada the shorts would probably settle out their contracts through a delivery.

There were very heavy rains overnight in Nebraska, also scattered ones in Kansas, with hail in a few places. However, hail is the one weather element against which insurance can be had because it is generally local in character. There was also some moisture over Montana and South Dakota but not much relief in North Dakota. The forecast still indicates a showery condition but nothing of a general character, nor had there been real relief up to this time. Canada enjoyed rains over southern Alberta and the wet weather seems to be spreading to the other provinces, but they, too, have some dry areas, and April was not a particularly good month for relief. The Winnipeg Free Press survey indicates that good subsoil moisture is apparent but that there are some dry topsoil conditions over southeastern Saskatchewan and scattered points of Alberta.

Last week Canada exported 525,000 bu wheat to the U.S. bringing the total to 31 1/2 million bu, or more than twice as much as we took from there last season. To all destinations Canadian shipments were 235 million bu since August 1st compared with 160 1/2 million a year ago. Some of the Northern Hemisphere shipments of wheat were, of course, probably due to the small amounts now being exported from Argentina. Since January 1st, only 2 1/2 million bu has cleared compared with 48 million a year ago. Broomhall reports moderate rains in the Provinces of Buenos Aires and Santa Fe and light in Entre Rios and Cordoba, but additional moisture is needed in some sections. Canadian wheat acreage is unofficially estimated at 25 million acres --2 1/2% over last year for the provinces.

Primary receipts of wheat were 748,000 bu today with Sioux City missing; this compared with 648,000 bu last week, and 1,625,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 360,000 bu. When the visible supply is posted on Monday it will compare with a shrinkage last year of 1.8 million bu.

Trade was rather inactive; in fact, July wheat during the day showed a fluctuation of only 1/2¢ per bu. After yesterday's sharp covering movement there was not toomuch interest shown, but as we have pointed out on many occasions, sellers are restrained owing to the fact that prices are below the loan likely for next summer's crop. Even with the great strength in May beans and the comparative strength in May wheat the new crop futures were inactive, and a few wagon loads of new wheat were reported moving in various parts of Texas.

Corn was quite strong early, but the government continues to sell its holdings, and this is somewhat of a damper onthe market. There was quite a little spreading of oats today, purchases being made at Winnipeg against sales in Chicago. Canadian oats were apparently on a better import basis than for some time.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 May 19, 1952.

There was some extremely heavy rainfall over the weekend in Texas and Oklahoma, the heaviest probably fell in southwestern Oklahoma, where rain from 3 to 7 inches was reported at several stations. The State Crop Reporting Bureau claimed that 25,000 acres of cotton in that section would have to be replanted, and also is not too good for wheat, as we presume in some sections the crop was nearly ready for cutting, and naturally such heavy moisture is bound to cause delay. We heard of very little moisture in our Northwest, and there was not much in Canada either, although there were some light showers in Alberta but really nothing to speak of in either Manitoba or Saskatchewan. People up there are watching weather conditions very closely and we are told that precipitation is urgently needed in central and southern parts of Manitoba for germination and growth as the topsoil has dried out considerably, and we believe that rains would also be more then welcome in southeastern and south central parts of Saskatchewan. Chances are that a few light scattered showers will fall tonight and Tuesday in our Northwest but there is no general relief in sight yet, and this is unfortunate as we are getting pretty well along in the spring season. Precipitation in Manitoba so far this spring has been light except in the North where it was above normal. Alberta has probably had the best rainfall but still not normal in the southern portion, and there were only small amounts elsewhere.

In any case our market was not particularly strong, and it seems rather difficult to find too much bullish sentiment in view of the winter wheat prospects, and a billion-bushel crop, which seems likely, is almost as much as the total production last season, so that even if our spring wheat crop falls short of earlier estimates, it may not be a calamity.

Chairman Cooley of the House Agricultural Committee has asked OPS to suspend ceilings on soybean meal until July 1st. This did not have too much influence on the bean market, but, of course, the May future has been very tight during recent sessions. The adjustment between supply and demand is close, particularly with the farmer not selling liberally, and for that reason shorts in beans have had to pay a big premium when they either covered or went into the more distant months. We hear, but cannot confirm, that some rather large quantities may be headed toward Chicago and may be tendered on May contracts. Trading will terminate with the close of the market on Wednesday but settlement can still be made during the balance of the month except that one has to take into account the Decoration Day holiday and the Board of Trade both here and markets elsewhere have decided to close on May 31st.

Domestic flour business was extremely light over the weekend, and even new-crop flour is very slow in moving. Ordinarily at this season of the year one would expect deferred business, which would be a little more of a stimulus on the new-crop futures.

When the visible supply of wheat was posted there was a decrease of 4 1/4 million bu. Total stocks in all positions are just under 80 million bu, or half as large as they were a year ago. The corn visible decreased 2 million bu, leaving 42 million bu in various markets compared with 52.6 million last season. The oat visible showed an increase of 705,000 bu, apparently imports from Canada bringing about this change. We have a total of 9 3/4 million bu, which is 3.1 million less than last season. Chicago stocks decreased 275,000 bu while stocks of corn decreased 847,000 bu. There was an increase of 650,000 bu in oats, and 240,000 bu in rye. Beans were about a standoff.

Markets were rather weak early but firmed late in the session, and there was no particular pressure, despite the fact that export business is still most inactive. We rather imagine that until there is some relief in the Northwest areas the trade will be rather cautious. In beans the open interest in the May delivery is still large, and apparently there is a close adjustment so that even with some supplies coming in here, there will have to be some selling on part of longs in order to permit shorts to cover. The country is selling quite a little corn; however, Chicago receipts would be very light except for the activity on part of Commodity Credit Corporation.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 20, 1952.

There was a little rain overnight in Montana, but there has been no general relief yet in the Northwest. It is true that scattered showers have occurred here and there, but the most fortunate thing was the low temperatures that have prevented rapid deterioration, but most authorities believe that in order to get a good average crop moisture must be had before long. The same is true in Canada, although there were a few very light scattered showers last night, and some showers and light rains are forecast for this afternoon. Despite this, we saw a report that the outlook for grain crops in Canada is generally the best in many years. This came through the U.S. Department of Agriculture's Office of Foreign Agricultural Relations, and they state that while surface soil has dried rapidly in many area, subsoil moisture reserves are well above normal in Manitoba but that good progress in the seeding of spring grains is reported throughout the Prairie Provinces. Of course, one thing that dry weather has done was to permit harvesting of the unprecedented amount of grain that wintered in the fields. Moisture is now needed more urgently in southern Manitoba and some northern districts of Saskatchewan and Alberta, than in other sections, but taking the country as a whole a good soaking would be more than welcome.

In the meantime our markets here show no particular trend. July wheat has covered the ground in which it is presently traveling for several weeks. Even occasional strength in the May future does not influence much speculation in the distant futures, probably for the reason that winter wheat is coming along well and even though there may be some harvesting delays, the outlook continues most satisfactory. There was some export business reported late yesterday, France having purchased 6,500 tons two hard wheat via the Gulf, shipment from June10th to 25th. Otherwise, the export market has been rather neglected, and thus we have not had the removal of hedges which so often occurs at this season of the year.

While there is no headway reported in the negotiations at Korea, the tempo of fighting has subsided, and we find that peace prospects are pervading the world markets, with many commodities showing downward tendencies. Should the Armament Program become restrained, military spending of all sorts, including foreign aid, might be cut, and any such lag may have its effect on general business. Our main trouble seems to be that it is impossible to prepare for every exigency. In other words, if we are to fight China that would mean one kind of preparation; if it is going to be an atomic warfare, that would be something entirely different. Again the type of armaments are important as to whether or not there will be 50 divisions inEurope by end of this year and 100 divisions by late 1953. Whatever the final outcome, most of our Atlantic allies are well behind schedule, and apparently intend to stay that way. Under such conditions stagnant rather than precipitously declining raw material prices are very likely in prospect.

One of our good friends, writing from the Northwest, statesthat they had another dry week, but due to temperatures being on the low side there was not a great dealof deterioration. He classifies the northeastern area of North Dakota as definitely poor, the southeastern sections poor to fair, and the same for northeastern South Dakota. The balance of North and South Dakota could be classified as fair, with most of Montana in good shape. What rainfall they had last week was in north central Montana where conditions already are quite favorable. It is thought that crops can suffer along another week if temperatures are not too high.

Primary receipts of wheat total 1,180,000 bu today vs. 1,132,000 bu last week and 1,725,000 bu the comparable day of last year. So far this week Kansas City and Minneapolis stocks of wheat show a net decrease of 148,000 bu. Contract stocks in deliverable position total 782,000 bu of which 706,000 is classified as #2 red winter wheat. It is reported that 400,000 bu oats and 233,000 bu rye cleared Canada for American ports yesterday, most of it headed toward South Chicago.

Despite the fact that the open interest in May futures is still rather large, with only one more day left for fulfillment of contracts in the pits, trading was rather light and featureless. According to The Southwestern Miller, flour sales overnight were of limited total. Mills are getting a few inquiries but the trade is resisting current prices. A modest amount of new-crop flour has been sold in the last few days by mills in Oklahoma and Texas, but prices still do not seem to be in line with trade ideas. Forward bookings are getting underway much slower than ordinarily. Export business remains at a standstill.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 21, 1952.

There was not a great deal of grain news overnight. There had been a few light scattered showers over parts of the Northwest, but these were confined mainly to Minnesota and Montana, but both our own weather man and the official report anticipate that precipitation will spread to the Dakotas. While it is not general relief, at least we are not in a drought situation, so that with intermittent regularity there seems to be a little rainfall here and there to bring some encouragement that the weather may gradually break up without too much deterioration in the meantime. As one of our friends up there has stated, if really high temperatures can be avoided for some time, the crop can go a little longer without too much damage. In the meantime, we are coming closer to the winter wheat harvest, and of course, with nearly a billion bu in prospect, it cannot make too much difference in the final analysis whether the spring wheat yield will be a little more or a little less, although psychologically we may hear something in the way of apprehension before long. There were some light scattered showers in Alberta and western Saskatchewan. There is also a forecast for some light rains for all provinces, but no important precipitation is indicated at this time. Local sentiment in that market seems to be a little friendly due to lack of moisture.

Broomhall in reporting on European conditions speaks of a rather favorable outlook although in some sections rains there, too, would be beneficial. The situation in the U K is satisfactory, although some insect damage has been reported. It seems to be warm and sunny in France, but generally speaking prospects are described as excellent. If good average weather is had from here on in, it is likely that this year's production will exceed either of the past two years. As for Germany, rains would benefit western sections where there has been some deficiency. Otherwise no serious complaints are heard. Dryness, however, is reported in Southern Italy, but in other sections weather seemd to be satisfactory.

With no particular issue today's market was featureless except for attention that we paid to the expiring May futures, and it was quite obvious that deliveries would not be sufficient to completely liquidate contracts before trading terminated. So there would have to be a good deal of evening-up in the pit, and in the early trade it was anyone's guess whether longs or shorts would take the initiative.

It was reported that Switzerland had bought a cargo of hard winters for July shipment but other than that foreign business has been rather quiet, and thus not many hedges have been taken out of the pit.

Primary receipts of wheat amounted to 895,000 bu compared with 983,000 bu last week, and 723,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 297,000 bu.

The hog market, which had been weak yesterday after a rather lengthy period of advances, showed further recuperative power this morning, with most prices 25 to 50¢ per hundred higher. This in spite of the fact that the Department of Agriculture had announced that buying of pork products under its purchase program had been suspended. There has been about $13 1/2 million paid out during the past month or more in thehandling of this program. There was not much influence on the corn market as the result of operations being discontinued. As a matter of fact, corn futures were slightlylower today. As in the past about two-thirds of the Chicago receipts comprised CCC holdings.

There was considerable excitement during the last half hour of trade in settling up the various May futures. Very erratic trading occurred in May wheat where the price soared to a very high premium over July, and apparently this had not been expected, as a good many people waited until the last minute. There was also an erratic trade in beans, and most of the covering took place during the last two or three minutes of the session when the limit was reached, and apparently some of the shorts had great difficulty in getting covered. Oats and corn went out rather quietly, and May rye after being quite strong early showed some reactionary tendency, despite a strong market in Winnipeg. Markets on the whole were not particularly strong, taking into account the strength displayed in the expiring May contracts.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 22, 1952.

General Ridgway's summation of Korean conditions did not protray a very optimistic picture. Whether this had anything to do with the strength in security or grain markets is difficult to say, but the possibility that there would be no quick ending to hostilities is always regarded as a little bullish. In our market late yesterday there was considerable strength in the expiring futures of May wheat and May beans. The beans apparently were wanted by a processing concern, and chances are that when deliveries are tendered a very large percentage of Chicago stocks will be moved out. The country is not an eager seller at this time even though crop prospects continue very good, and, therefore, it remains to be seen whether shorts in the July future will have any more success in trying to cover their commitments at low prices. Right after the opening bell, July beans seemed to strengthen, and there was also news that one of the processing concerns would at least resume temporary operations, depending on the price of oil and other ingredients. As for wheat, the comparatively high loan is always a factor, although at times it is forgotten, and particularly so at the beginning of the season when there is usually a certain amount of grain sold irrespective of price.

There was very substantial moisture in parts of Montana and South Dakota, but no relief of any consequence yet in the big wheat state: namely, North Dakota, nor in Canada. The Winnipeg messages told of showers in Alberta but nothing of consequence yet in either Saskatchewanor Manitoba. While outside intereest in Canadian markets is small, there is a friendly local sentiment due to lack of moisture. Evidently it is only the substantial subsoil reserves that have carried the crop through this far without much damage or apprehension.

According to Broomhall, shipments of wheat and flour for the week amounted to nearly 5 1/2 million bu, and the total since last July is 401 million bu compared with 297 million a year ago. In the remaining six weeks we may not be able to export enough to quite reach the 450 million bu figure that has so often been mentioned, but it will come fairly close to it. For the second consecutive week Canada has exported more than the U.S., and with the large quantities that were harvested this spring, every effort is being made to get grains of all sorts to the seaboard for shipment. They cleared 9 million bu wheat last week and 9.4 million bu the week before, indicating that this statement is correct. Our weekly exports of corn from the U.S. were 978,000 bu, and since 1st of October we have cleared 53 1/2 million bu vs. 84 million a year ago. Since October 1st, 14 1/2 million bu beans have cleared compared with 23 million last season. Even with the short rye crop we have shipped 3 1/4 million bu since last July, or practically the same as in the season before.

There was talk of probable business with Germany, that country being interested in 18,000 tons wheat Friday, also 2 or 3 cargoes rye, and is scheduled to come into themarket a second time for wheat and coarse grains toward the end of the month. However, business to other countries was not mentioned. There continues to be debate as to how much our foreign aid budget should be. With countries the same as with persons, if they can get what they want without working for it the evidence seems overwhelming that not too much toil and labor will be expended. We presume, however, that the amounts will not be substantially cut from the early budget. If this is the case a fair amount of food and grain will again be shipped during the coming season, although wheat shipments may depend more upon the size of the Canadian crop than was the case last season when such large quantities could not be harvested during the fall months.

Primary receipts of wheat were 939,000 bu compared with 722,000 bu last week, and a little over 2 million bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 289,000 bu.

The 1952 wheat loan rate was announced at $2.50 basis Chicago, and $2.46 Kansas City basis #1, Gulf ports $2.60. These are interim rates effective until the government may increase them to relfect 90% of parity. Milling demand was rather slow, average bookings, according to TheSouthwestern Miller, less than 50% of capacity. There seemed to be a fair amountof short covering, however, in the pits, and with the strength in beans, wheat futures scored good gains, although corn and oats lagged to some extent. The spread between July and December wheat widened to 6 1/2¢ difference, indicating that the trade views the future favorably with respect to carrying charges. However, until there is real relief in Canada, we do not believe that a short position will be very comfortable. Topsoil in many sections has become very dry, and the only thing that has saved the crop thus far is relatively low temperatures and reserve moisture previously built up. Rye was very strong.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 23, 1952

The most important factor at the moment is the weather in our Northwest and in Canada. Fortunately, there was sufficient subsoil reserve in the ground so that the crop has not suffered irreparable damage, according to reports we have received. As a matter of fact, with a very dry April, the Searle Grain Co. report indicates that Alberta now stands at 115% of normal, Saskatchewan 116%, and Manitoba 82%. The total moisture condition of the three Prairie Provinces weighted for wheat acreage now stands at 112% of normal, which compares with only 92% a year ago. However, the rains which occurred during the present growing season, or in other words, from April 1st to this date, have been very poor; in Alberta, this precipitation has only been 34% of normal, Saskatchewan 48%, and Manitoba 11%.Thus it is obvious that the surface is very dry, and unless we get relief soon there undoubtedly will be a good deal of apprehension owing to these factors. The Searle people also claim that the wheat crop is up several inches, and still in spite of lack of seasonal rains for the most part, wheat has a good healthy appearance. This, of course, is because the soil still contains better than average subsoil moisture reserves from last year.

Taking our own country, we have had some intermittent rains, but they were confined mostly to Minnesota, Montana, and South Dakota. The big wheat state, North Dakota, is still very dry. April moisture in that state was only 8% of normal, while for the period from February through April 43%, so that a good soaking rain is certainly needed; otherwise, there is bound to be severe deterioration before long. The spring wheat state that fared the best was Minnesota, April moisture having been half of normal, and 83% for the three-month period. This, of course, does not take into account the Pacific Northwest, where conditions have been better.

When our market opened, prices were firm, and it is our opinion there can be no great activity on the short side of the market until the drought is broken. Whether advances can go far with the fine prospects in the Southwest is still questionable, although from a psychological point of view the trade will pay more attention to the bad conditions than to the good ones, which may at least be partially discounted. As a matter of fact, the young wheat plant in Canada at this particular moment does not need very much moisture for its continuous growth. Needless to say, however, good rains would be most welcome-- not so much to keep the crop growing, as to add to the moisture reserves the crop will later begin to draw upon.

The first car of new wheat was received at Fort Worth this morning; it graded #1, testing 14.3% moisture. While this is fairly early, we have seen in the past new wheat arriving at about this period. Chances are there may be some delays in Oklahoma where recent moisture has been very heavy, and further rains were reported overnight where they are not particularly wanted.

Broomhall tells us that Indian food stocks have increased and are now large; this means that imports during this year are expected to be reduced by 1 million tons.Argentine wheat shipments were next to nothing during the past week, and only 2 1/2 million bu has been shipped from there since the first of the year compared with 50 million bu last season.

Primary receipts of wheat were 590,000 bu, with Duluth missing; this compared with 748,000 bu last week and 1,575,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 262,000 bu. When the visible supply is posted on Monday, it will compare with a decrease of 2 3/4 million bu last season.

Trade was not at all heavy, there were upturns early in the session, with rye and beans taking the lead, but there was also profit-taking later on, so that best prices did not hold. As a matter of fact, corn and wheat showed losses for the day. It is surprising that not more enthusiasm has developed on the constructive side of the market in wheat with the dry weather in the spring wheat areas, but apparently a good many people feel that even if rains occur within the next week, they may come in time to help the crop. Meanwhile, export business is dull, and there is not much demand for flour, so that altogether not many hedges are being lifted from day to day. The inspected receipts of soybeans continued to decrease in April, and were the smallest for that month since 1948, according to reports circulated by the Agricultural Department. In other words, the holding tendency on part of farmers continues. Local traders sold beans which offset buying for processor account.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 26, 1952.

There continues to be talk of a monetary crisis in Britain, with the possibility of further devaluation, but even if this should occur we doubt whether the impact upon our commodity markets would be very great. At the present time, it is likely that gold reserves in the sterling areas may again be rising, partly because of the cuts in dollar imports, and some of these effects are now appearing. Then, too, the U.S. economic aid, which in some instances was delayed, has now made its appearance again, plus the fact that there is a speculative movement back into sterling. In spite of these considerations it would be a great mistake to assume that the long-term problem of the dollar sterling balance has been solved, or, indeed, that anything important has been done since the last crisis toward bringing about a solution. We shall probably hear a good deal about it in the weeks ahead. With the severe restrictions on imports from the U.S. the rest of the world is still in substantial deficit with America, while at the same time the U.S. economy including defense is, and has been for some period, operating at full steam with production and income at near record levels.

When our market opened this morning it was more prone to follow weather indications, with some moisture having been received in the Northwest, including North Dakota, where heretofore it had been mostly dry. Early weather data from Canada also showed some light rains in Alberta and Saskatchewan, which are expected to spread to Manitoba today. According to our own weather man, there is a showery condition in the spring wheat areas, which may end by tomorrow, but meanwhile there is some chance for moderate to heavy showers over rather scattered areas, including North Dakota, with some lower temperatures. The forecast is for clearing skies over Southwest areas and the corn belt, and in some places they have undoubtedly had more rain than was needed. As a matter of fact, we had some advices from downstate that some of the corn fields had received as much as 1 to 6 inches water in some places. Thus, it is going to take some sunshine to keep the seed from rotting, according to these observers, but apparently the trade was not too much concerned in view of the better forecast and our corn market was considerably lower, with some of the merchandisers here claiming it was not too easy to make sales east of us. Of the 156 cars of corn that Chicago received, 128 were for Commodity Credit, which is certainly a big proportion, and it shows what a pressure this is on the market, and which had to be absorbed during the past several months.

When the visible supply of wheat was posted there was a decrease of nearly 3 1/2 million bu. This leaves total stocks in various markets at 76.3 million bu compared with 157.8 million last year. Corn also showed a large decrease of 3 1/4 million bu, total stocks are nearly 39 million bu against 50 1/2 million last year. The oat stocks increased 1.6 million bu, due probably to imports. There is in the various markets 11.3 million bu stored compared with 13.8 million a year ago. Wheat stocks in Chicago showed a small decrease again, with only about 2.2 million bu here. Corn stocks show a cut to 12.1 million bu, oats increased to 7.4 million bu, and beans increased 277,000 bu, but all told there is only 623,000 bu in Chicago, although today's receipts were heavy.

Trade was rather modest, there was no particular feature except that during the session Canadian rains appeared to have been heavier than were earlier reported. The moisture was apparently fair to good over the entire district except southeastern Manitoba. Over the weekend some stations reported precipitation of more than 1 inch; this was mainly in northwestern Saskatchewan, but it had quite a little effect, and wheat had some difficulty rallying at any time, although there was no important pressure. There was a little flour sold over the weekend, but apparently the quantities were not important, and generally speaking there is a waiting attitude on part of buyers.

UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 27, 1952.

The market is still under the influence of daily weather reports, and crop news from our Northwest is not particularly good, at least for North Dakota, which is the main spring wheat producing state. According to the Peavey Elevator summary, there have been some rather large sections of North Dakota that did not receive rain during the week, but the encouraging thing is that temperatures for the most part were moderate, with cool nights, and thus there is no certainty yet that deterioration has been heavy. In looking at the map this morning there were a few yellow chalk marks, which indicated precipitation, and apparently Canada has fared better than our Northwest. In fact, there was fairly good moisture in Saskatchewan, northern Manitoba, also some light showers in southern districts, with a forecast for cloudy and cool weather and some scattered showers.

The trade finds it difficult to accurately appraise these conditions, and for that reason we are having rather uninteresting markets, with nobody taking a very important position on the long or short side. The fact that wheat is selling considerably under the loan would ordinarily tend to encourage some buying, but as long as the winter wheat prospects are pretty well maintained, despite additional moisture in some sections, there is little activity in that direction.

The government gave the April exports of wheat and flour, which amounted to 43.5 million bu. This brings the ten-month total to nearly 405 million bu compared with exports of only 275 million in the corresponding period of last year. Coarse grain exports during April were 22 1/2 million bu, and for ten months amounted to 165.6 million bu. It shows what a large demand there has been during this whole period, probably for the reason that Southern Hemisphere was unable to furnish much to European or Asiatic countries. The fact that we were sending large quantities to India on credit may also have taken care of an extra 50 to 75 million bu that otherwise would not have been shipped. Thus at the end of June our carryover will be quite a little smaller than it was a year ago but even that is being ignored for the reason that soon after harvest large supplies will be available unless impoundings are heavy. Some wheat always comes on the market irrespective of price, and this is especially true in the soft wheat areas where farms are small and where farmers seldom take the loan with all the detailed papers that have to be issued. Nevertheless, it has been the experience ever since 1938 that more and more farmers do impound their grain each year when the market is not attractive, and this has generally acted as a floor to the market and prevented excessive declines.

German buying of grain has temporarily been postponed, although we heard that the U. K. had purchased some Manitoba wheat. This did not have much influence here; in fact, the early firmness in the market was attributed almost entirely to insufficient moisture in our spring wheat districts, and the possibility of clearing weather after tonight or tomorrow. One report from a Minneapolis mill expressed the view that a good general rain was needed almost over their entire territory with the exception of one section around Billings that had received some relief. Generous rains in that area during the past week have put the crop in good condition, but elsewhere early seeded grain was still holding its own, color was satisfactory, but due to the dry condition there had been very little growth. The late seeded crops are uneven and in many places have not even emerged from the ground. Since that report had been compiled scattered showers have occurred.

Primary receipts of wheat were 1 1/2 million bu, which compared with 1.1 million bu last week and 2.1 million last year. Kansas City and Minneapolis stocks so far this week show a net increase of 70,000 bu.

Trade was very dull; the government weekly crop report spoke of some rains in the Northwest, but talked of some deterioration in North Dakota, claiming that the 60-day period to May 25th was the driest of record. This may have had a little influence on our market, with prices slightly higher, but domestic and foreign business was very dull, and flour buyers are still delaying purchases. In corn, there was some buying of the new crop futures, but hedges came into the July and apparently the continued selling on part of CCC is discouraging to holders. 80% of the corn is said to be planted in Illinois, while in Iowa crops are generally good, warmer weather is needed for early planted corn, and about 75% of it is in the ground
Beans were strong, particularly the July future, with very little pressure, and we believe that most of the receipts in Chicago are to take care of final settlement of the May contract

UHLMANN GRAIN CO

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 May 28, 1952.

There were no important rains overnight in the spring wheat area, although a fair amount of moisture was reported again in Texas and Oklahoma, also over parts of the corn belt. There is a little optimism being expressed now that these fine rains in the early milo district are beneficial for the new crop, and Fort Worth tells us that while there have been rains over most of the early wheat territory, if it clears up by evening harvesting operations will probably be resumed next Monday. All in all there is nothing very alarming in the situation except that North Dakota is probably the one state that has experienced a drought for a long period now, and as a result any possibility of raising a bumper crop has vanished, although one of our good friends who travels that territory quite frequently still believes that a 12-bu per acre yield for that state might be had if they get a fair break in the weather from now on. After all that would not be too pessimistic a picture, as we believe that other sections of the Northwest have fared better. There were good rains during the past week in south central Montana and this stretched over into South Dakota. The eastern fringe of Montana is complaining somewhat but the major part of Montana is still said to be in excellent shape. The main thing is that we get the moisture early enough that it will do some good. Even assuming that the whole spring wheat belt produced only 12 bu per acre, it would still give us a crop of 240 million bu, which taken in conjunction with a billion-bushel winter wheat crop would certainly provide ample supplies, not only for home requirements, but also for good exports, and finally a bigger carryover reserve one year hence.

Broomhall's Foreign Crop Summary continued favorable for most of Europe, but he also stressed the fact that rains would be welcome in a good many countries, although there have been complaints that it was too cold in sections, but nothing very serious. France's conditions are excellent but the crop now starts to need rain, although it is mostly top dry soil that has been impaired and subsoil conditions are apparently satisfactory. In western Germany crops got off to a good start, and there was a little moisture reported during the past few weeks, but yet the final results will probably be a little less than a year ago. In Italy weather has been cold and wet, but despite these factors prospects are generally good. There has been a drought in South Africa which delayed seeding. Broomhall in reporting on Argentina figures that there will probably be an increase in acreage. However, moisture reserves are light and further rain is needed. A Conference has been called in India for food ministers to examine import requirements. There have been conflicting reports as to stocks on hand. We noted earlier that reserves had been built up. Very often there are exaggerations, particularly if countries requiring credit want sympathy from us. Sometime ago the FAO reported of the grave danger of locust damage in the Middle East and Africa, but officials in Washington now admit that there had been an effort to dramatize the food problem of those areas and that the actual danger from that pest was no greater this year than previously. On the other hand corrective measures, such as spraying from airplanes, may already have reduced food losses from that source. Actually more optimistic students of the problem foresee that within five years there may be an end to the perennial locust blight.

Primary receipts of wheat were 691,000 bu compared with 895,000 bu last week, and a holiday last year. Kansas City and Minneapolis stocks so far this week show a net increase of 53,000 bu.

Trade was not large, and we note that the volume yesterday was only 6 million bu in all wheat futures, indicating that nobody has very definite ideas for the time being. While there has been a fairly large open interest, with the July future selling at the season's low today, it meant that practically every long had a loss in his commitment, which created a little nervousness, but with dry weather Northwest, nobody was playing the short side of the market aggressively. Milling demand was still slow, although there is so little business on the books there may have to be some new buying shortly. Ordinarily at this time of the year there would be more interest in the new-crop positions. The same story prevails in corn, with a large percentage of our receipts for the account of the Commodity Credit Corporation. This seems to prevent much enthusiasm on the long side of the market, particularly as crop prospects are maintained. Beans were very strong, but best prices did not hold, as there was some profit-taking. We understand that a few cash

beans were offered at the river at the July price delivered Chicago.

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CHICAGO, 4 May 29, 1952.

There was no moisture overnight in either Canada or in our Northwest. The forecast is for somewhat higher temperatures but there is at least a chance that unsettled conditions may bring rain starting in the western sections of the Dakotas and working eastward. It is always hard to tell in that type of forecast how much precipitation will be had, but in any case there should be some relief.

Yesterday's liquidation was rather thorough. A good many people had been disappointed at the action of the market, and even then with clear skies over virtually all the spring wheat areas, prices dropped rather precipitously on stop-loss selling, so that undoubtedly the technical situation in the market had been improved. We had a firm opening this morning with more attention paid to the political developments in Europe than in recent sessions. This increased political tension overseas, while possibly not an immediate factor, is merely a reminder that all is not well. From that point of view we may hear more about it over the holiday period.

Wheat and flour exports during the past week were a little heavier and amounted to 6.8 million bu. This brings the total since July 1st to 425 million bu compared with 308 million a year ago. Even with somewhat more modest shipments for the balance of the season, it looks as though the total for the crop-year would reach 450 million bu and might even be slightly higher. Since start of the world crop season on August 1st, world shipments have totaled 783 million bu compared with 665 million a year ago. Canada, despite having gotten off to a poor start, cleared 252 million bu vs 171 million last season. Australia fell down by about 21 million bu due to poorer conditions, while Argentine clearances were some 60 million busmaller, also the same cause accounting for the big decrease. Black Sea shipments were 32 million bu compared with 20 million a year ago, but the big increase, of course, was from the U.S. Probably 75 million bu went to India due to special arrangements made between our governments. Domestic shipments of corn during the past week were 1,350,000 bu, and since October 1st we have cleared 55 million, or a reduction of 32 million from the season before. Soybean exports are also down about 9 1/2 million bu as compared with the previous year, so that in reality the only domestic crop that has been in heavy demand was wheat, and undoubtedly even that figure could never have been as large except for the subsidy, and special credit arrangements.

There is a little new wheat coming into southwestern markets, and we heard today that Enid had its first two cars inspected. Generally speaking, combining has been slow in both Texas and southern Oklahoma, as there were recent rains and thus there may be some delays until fields dry out. We are told it will take several days of good dry weather in order for harvesting operations to progress satisfactorily. In the meantime, country dealers are unwilling to offer much wheat, as theyprefer to wait for clear weather.

It is interesting to note that, according to the Department of Agriculture, farmers have placed only 25 million bu of their 1951 corn crop under loan. This compares with 49 million bu for the year before. Probably for the reason that so much corn is fed right on the farm, we never find the loan quite as effective as in wheat, but yet it does act as a support to the extent that it gives farmers assurance that if necessary they do not have to sustain a big loss, and, therefore, it probably tends to create a holding tendency even though the large quantities in proportion to the crop may not actually be impounded.

Primary receipts of wheat were 1 1/2 million bu today; carlot arrivals in the Northwest were heavy. This compared with 979,000 bu last week, and 1,960,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 20,000 bu. When the wheat visible supply is posted on Monday it will compare with a shrinkage last year of 1.6 million bu.

Trade was inactive at times, but we believe, in spite of the possibiluty of rain in Canada over the holiday, the trade paid more attention to European tension, and the less peaceful outlook abroad. There was not much flour business reported today, and export trade was also dull. Therefore, not many hedges were taken out of the pit. Beans were very strong, the July future gaining further. Rye also had a considerable upturn, and this seemed to influence sentiment generally. There were advances in corn without any particular news. The CCC selling continues and about half of today's arrivals were apparently for government account. The corn-hog ratio improved, and for the week is reported at 11.2 compared with 10.2 last week and 11.3 last year.

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CHICAGO, 4 June 2, 1952.

While there has been a good deal of emphasis placed on the dry weather experienced in Canada during April and May, one should not overlook the fact that this was of considerable benefit to Prairie farmers, inasmuch as it enabled them to get their grain threshed, which had stood out in the fields during the winter months. A dry spring also enabled seeding to be done at an early date, and as a matter of fact Canadian farmers will plant 25.6 million acres to wheat, or 382,000 more than a year ago. If anything has been proved, certainly we may conclude that in order to conserve the greatest amount of moisture in the ground, summer fallowing should be practiced, and just as early as possible. According to the Searle Grain Company Ltd. letter of last week, ordinarily with such a small amount of rain as was had from April 1st to date, the new crop would now be suffering from lack of moisture, and, indeed, a good part of it might have withered and shown yellow spots; yet, according to that authority quite the contrary is the case -- it is still doing well and of good color. In the meantime, we had some very nice rains over the holiday, Alberta having been the main recipient, and in the southern sections there was an inch or more received. The later messages also told of some nice rains in Manitoba and some moisture in Saskatchewan, while the same was true in our Northwest, with Minnesota having been favored while showers, although light in character, fell over the Dakotas. The forecast is for some more scattered rain in the Dakotas and to that extent a little more optimism prevailed this morning, with the result that wheat futures opened somewhat lower, and before long the July delivery made a new low on the crop, while September touched the old low.

Each day now brings us closer to the southwest movement; while there have been some rather heavy rains in the Texas Panhandle, with as much as 1 1/2 inches in some spots, this is not regarded as serious, although it may cause some delay in wheat harvesting operations. One of our men, who traveled through that territory, reported from southwestern Oklahoma that the winter wheat crop is turning out considerably better than had been anticipated seven or eight weeks ago. In fact, he said the present condition was hardly believable. They are getting some yields 20 to 30 bu to the acre for wheat, with some fields running as high as 40 bu. Farmers seem to sell if they can get better than the loan price. This is possible at the present time, and for that reason we should not be surprised to see fair quantities coming on the market rather than to be impounded.

Late Thursday new parity prices were published for May, but there was no change for any of the basic commodities, and on the assumption that the June figure remains static, we can probably expect a loan of about $2.54 per bu, basis Chicago, and 5¢ less at Kansas City. During the past month a rather slight increase took place in food prices, but was offset by lower costs paid by farmers for clothing, the latter now averaging about 3% under a year ago. Farmers are also paying somewhat higher prices for machinery used in harvesting, but prices for animal proteins declined, while at the same time vegetable proteins increased. On the whole the entire computation is so complex that nobody can hazard a guess as to what may happen thirty days hence.

The visible supply was late in being posted, as data was missing from two markets. Here in Chicago wheat and corn stocks showed practically no change for the week. Oat stocks decreased 402,000 bu, leaving 7 million bu here. Rye stocks, which were already small, decreased another 126,000 bu. There was a heavy increase in bean stocks of 656,000 bu. This, however, was to satisfy May deliveries, and we understand that the party who took tenders will probably ship the beans out of this market.

The Supreme Court in a ruling of 6 to 3 decided that the President's seizure of the steel mills was illegal. This had very little bearing on grain markets, although during the last fifteen minutes of trade there was further weakness in sympathy with declines that occurred in Kansas City and Minneapolis. Our September wheat made a season's low and possibly wheat was influenced by an optimistic report by the Santa Fe Railway, which considered the possibility that Kansas, Oklahoma/Texas and Colorado might show a net increase of 20 million bu over the last government figure. July beans were about the only commodity that showed some firmness when everything else was weak.

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CHICAGO, 4 June 3, 1952

As the Republican and Democratic Conventions draw closer, much will be said and heard about our fiscal policies and the fact that our government is getting bigger day by day. There are about 2 1/2 million civilians on the federal payroll, which means that one worker out of every eight is employed either by state, federal, or local governments. This, of course, costs a great deal of money, and while our government debt has gone up largely owing to wars, nevertheless, the $260 billion that is owed is more than twice as much as all the money in the U. S. The average family's share of this debt is $5,860. This means that every child born today inherits a debt of about $1,500. The result is that everyone has to pay taxes and withthe planned spending of $85.4 billion next year, the tax bill will rise to $1,935 per family.

When our market opened this morning, there was not much to guide it. Pressure has not become severe although wheat is moving in Texas, and Fort Worth yesterday had 100 cars, with selling in the country that brought some hedges into our market, but nothing on an extended scale. There will not be many offsets until about the 15th of this month, when the IWA subsidy becomes effective, and at that time greater export activity should develop. It was reported that 85,000 long tons spring wheat had been sold to Brazil over the week-end and negotiations are still pending on a similar quantity of hard winters for June and July, shipment via the gulf. Whether this comprised CCC business is difficult to say, but we could not trace any large number of hedges being lifted.

There was not much moisture overnight and for the next thirty-six hours the spring wheat area will probably not receive much precipitation except possibly for a few light showers in Montana. The five-day forecast is a little more optimistic, especially for the Dakotas where showers and local thunderstorms might come by Wednesday night or Thursday. Total precipitation from these sources is apt to be from 1/4 to locally 1/2 inch. Montana also has a prospect for showers Wednesday and Thursday, and again Saturday or Sunday, total precipitation probably amounting to the same as for the Dakotas. According to one report issued at Minneapolis, there has unquestionably been some degree of permanent injury to wheat in North Dakota and in the Northern Red River Valley, due to the dry weather which has prevailed. Continuation of cool weather has been of material help, but a good soaking rain should be had, if we are to get average crops in some of the hard-hit districts. Many of the latest fields have not germinated, but the Peavey people believe that rain could still help out materially.

Some of the nearby wheat futures made new lows for the season due to the general indifference, but on the whole trade was rather cautious, and it is still felt that later on if the impoundings are heavy, the loan will have more of an influence than at present. This may not take place until after the harvest pressure has asserted itself.

Primary receipts of wheat amounted to 1,710,000 bu compared with 1,544,000 last week, and 1,510,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 82,000 bu.

There was liquidation of a small nature in most of the pits, selling of July and September corn against purchases of the December future narrowed the spread considerably. Quite a little of this was done by a leading commission house, while in wheat rallies, even of a moderate nature, failed to hold, and it is figured that the private report which will be issued tomorrow probably will be quite bearish on the winter wheat. The corn and wheat bulletin issued today, spoke of the week's rainfall being the best of the season to-date in North Dakota, but then they remarked that spring wheat was coming up unevenly, so there is still doubt as to the final outcome of the crop. One of our friends remarked that the past week was another repetition of previous weeks, temperatures were on the cool side, moisture was confined generally to scattered light showers with the exception that over the weekend the north end of the Red River Valley received a pretty good rain, ranging from 1/2 to 3/4 inch, mostly around Grand Forks and extending north to Winnipeg. He told us that generally their advices were still not too bad, and that if rains were had soon there is still a chance to raise a fair crop.

There seemed little encouragement for new purchases except the impending loan and its implications. July beans held firmly, and there seemed to be no pressure of consequence. There was some talk that there might have been Chinese buying in the market, but this is always difficult to trace. In the past those people have often taken a predominantly long position on that commodity.

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CHICAGO, 4 June 4, 1952

When our market opened this morning there was heavy short-covering in beans, apparently shorts had become scared with the market advancing sharply at the close yesterday. The result was that the carryover feeling this morning was quite bullish, and in the first few minutes of trade beans had an upturn of 5 to 7¢, which naturally had some influence on other grains. Bullish ardor, however, cooled off when the Galvin report was issued indicating a winter wheat crop of 1,021 million bu and a spring wheat production of 326 million bu. Thus if these figures are realized, it would give us total yield of 1,347 million bu. Chances are that the winter wheat crop is about made, and very little can happen to it at this late date. However, conditions in the Northwest have not been too good, although according to this expert the present status is 82% of normal compared with 84% a year ago, so that even the dry situation in North Dakota is apparently regarded as not serious as of June 1st. There was some fairly good moisture overnight in South Dakota, and with an unsettled condition chances are that North Dakota will receive some scattered showers later today or by tomorrow, all of which is hopeful.

Analyzing the report more carefully, we find that the five soft wheat states, comprising Pennsylvania, Ohio, Indiana, Illinois, and Michigan, have a prospect for a crop of 185 million bu, which, of course, is very big, and it is often the wheat in this territory that either gives us carrying charges or prevents them. As for the Southwest, and taking into account Kansas, Nebraska, Texas, Oklahoma, and Colorado, the promised yield is for 563 million bu, which is also tremendous, particularly when we consider that last year the total winter wheat crop amounted to only 645 million bu. From our own reports we are getting very optimistic messages from Kansas and Colorado, and the only question still to be decided is how much wheat will be offered on the free market and how much may finally become impounded. With yields so heavy as compared with other years, we should not be surprised to see a fair amount sold, even granting that there is a huge amount of storage space in the country available to farmers. The ten-year average winter wheat crop in the years 1941-50 was a little less than 800 million bu. Thus with the extra amounts that will undoubtedly be available this season, it is hardly possible that all of it will go into the loan. But yet, with the smaller carryover reserves, one has to be prepared for such a situation, and this in our opinion is about the only restraining factor in preventing more aggressive action on the short side of the market. While the movement in Texas and Oklahoma has only started, we find that our own purchases are in fairly good proportion to the total amounts received, but as harvesting operations proceed farther north, it may be a different story, particularly if market declines continue.

Winnipeg advices spoke of a few light showers in the Peace River district and northwest Alberta. Weather is warmer now, but on the whole there are very few complaints.

Primary receipts of wheat were 755,000 bu compared with 691,000 bu last week, and 508,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 107,000 bu.

After mid-session there was further short covering in beans. As far as we could tell 166 cars of soybeans were inspected to go out of this market. This apparently indicated that the processors who had taken delivery on the May contract had use for the beans, and shall probably move them to their plant downstate. The limit was reached for a good many of the futures, and this finally had an influence on the balance of the market, with the result that wheat and corn recovered, but before doing so all wheat futures, except December, had registered new lows on the crop. Flour business was still of small proportions, and there is nothing much going on in export business from the United States, so that hardly any hedges are being covered.

Broomhall's Foreign Crop Summary was rather optimistic, with beneficial rains over much of the European continent. It had started to become dry in some localities; therefore, the recent precipitation can only be regarded as very favorable, and prospects now are said to be generally good, including the U. K. The prospect for France is excellent also, with wheat up and about ten days ahead of normal.

The government continues to sell corn, and a large proportion of our receipts today were CCC cars, but apparently this did not have too much of an effect on prices.

Rye futures became very strong.

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CHICAGO, 4 June 5, 1952.

On basis of the private estimates that were given to the trade yesterday, a total winter and spring wheat crop of 1,347 million bu is probable based on June 1st conditions. We have had production exceeding this amount only once before in history: namely, 1947, when 20 million bu more was raised, but in that year the carryover reserve was only 83 million bu, so that the total supply was smaller than we are likely to have in the current season. We are assuming that the carryover on July 1st will be 225 million bu, even though exports are apt to be a little more than had earlier been anticipated. This conclusion is reached after making allowance for the 35 to 40 million bu wheat that has or will be received from Canada during the period. Should we be right in these calculations, total supplies at the beginning of the next crop season may be 1,572 million bu, which is a huge amount of wheat, particularly as we look back to find that only once before was the total greater: namely, in 1942, when there was 1,601 million bu, but in that year we had our record carryover reserve of 630 million bu. Even assuming that final results may not be quite as optimistic as the June figures, it is still a very substantial quantity to deal with, and even if 400 million bu should be impounded, it would still leave us with ample supplies at least for quite a time. There was only one year since the loan became operative that impoundings were more than 400 million bu; that was 1942, and nothing like it has taken place since. It is, therefore, quite possible that when the weight of the harvest is first felt prices may sink even lower than they are at present, and for one reason or another, there is always some wheat that is marketed rather than pledged under government loan, so that we see no reason why the same will not be practiced this year. While our own purchases in the Southwest are not particularly heavy, we find at the present time that over half the wheat that is arriving at country stations is being sold. The rest may finally go into the loan or be sold later on, but chances are that if the price level declines the percentage of impoundings may be heavier later on.

U.S. wheat and flour exports for the week were 5.3 million bu, according to Broomhall. This means that since the 1st of July, 430 million bu has been shipped from this country compared with only 322 million bu a year ago. Since the start of the world crop-season August 1st, world shipments have amounted to 802 million bu compared with 692 million last year. The largest increase was from the U.S., under subsidy, credit, and gifts. Canada has shipped 263.5 million bu vs 178.5 million last year. Southern Hemisphere clearances from both Australia and Argentina were smaller, while Black Sea shipments were a little larger. Our corn exports last week were 818,000 bu and the total since October 1st has amounted to 57 1/2 million bu vs. 88 million a year ago. Our soybean exports have amounted to only 13 million against 25 million a year ago.

When our market opened beans were very strong, and for a time this had some influence on other grains, but the trade must have finally concluded that there is not too much similarity between beans and grains, and with the wheat harvest coming closer each day, there seems to be little support in the market, with the result that new lows on the crop were registered or repeated after about the first hour of the session.

There were some showers in the Peace River area and thundershowers rather scattered were reported over the Provinces. However, our Northwest did not benefit much from rains, with the exception of southern Minnesota, which was favored. There was some rain over Kansas, Oklahoma, and Missouri, but North Dakota did not get the relief that had been anticipated, nor is the forecast particularly favorable for the next thirty-six hours.

Primary receipts of wheat were 1.8 million bu compared with 1.6 million bu last week, and 1.3 million last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 248,000 bu.

Trade was reasonably active, and there were many erratic swings in beans. We note that the open interest yesterday was cut down considerably, and probably the same thing occurred today. Milling demand did not show any marked improvement, but there was considerable professional buying in wheat, which gave us late strength. We continue to feel that selling is restrained because of the fact that prices are below loan levels, but at the same time there is not much outside support. Corn firmed after early weakness, but CCC selling continues, and acts as a damper on the market. Rye was very strong.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 6, 1952.

Late in the session yesterday, rye futures became very strong, and apparently weather in the Northwest turned warmer, which seemed to cause a little apprehension with respect to the possibility that North Dakota has had no real relief yet. The only thing that has prevented more deterioration thus far has been the fact that temperatures have been moderately cool. We find that there was a good rainfall over Montana last evening, but other sections of the spring wheat belt were generally fair. Chances are, however, that the moisture is moving eastward so that by tonight or Saturday, there will probably be some relief for the Dakotas. At the same time the map was not sufficiently optimistic to cause much selling, and as a matter of fact traders have been restrained in their operations with prices considerably below loan levels.

First quotations in beans were a little higher but trade recently has been very erratic. There have been a number of factors responsible for this condition. First of all, when oil prices were at their low point a few weeks ago, conversion profits were not very satisfactory, and this resulted in some of the plants being closed down at least for a time. Had there been no ceiling on bean meal we might have had proper adjustments marketwise, but OPS has been very slow in recognizing this defect, but instead of which they have permitted certain practices that seem to be rather confusing. Through adulteration, processors have actually been able to get a premium by adding substitutes to meal, which probably did not improve the finished product, and if anything, it may have caused some distastefulness to users. However, the situation was very tight and buyers had little choice except to take a poorer product at a higher price than was actually sanctioned for bean meal through the ceiling dictate. By means of this process, the demand for beans had increased and virtually all the closed plants were reopened and others that had curtailed operations found it advisable to expand business. Thus there was a sharp advance in the price of beans ever since the May future expired, and those who took delivery here have apparently found that with the country not selling beans too freely, it was advantageous to make shipments from Chicago to downstate plants. The strength which had developed in the May future on the last day of trading has carried on to other old-crop deliveries, and in fact, even deferred futures have sympathized quite a little in the upturn.

The OPS announced yesterday that prices on white potatoes at all levels of distribution were decontrolled at once. OPS said that it would be complicated if producers and shippers felt that Congress was going to decontrol on July 1st; therefore, they jumped the gun in order to make sure that supplies would be uninterrupted.

A few showers, although light in nature, were reported in southern Saskatchewan. The forecast was for continued warm weather. The five-day outlook for the Dakotas is for showers and thundershowers Saturday, Sunday, and Monday, total precipitation ranging from 1/4 to 1/2 inch. There will also be occasional showers in Montana over the week-end, and again Tuesday or Wednesday, with about the same amount of precipitation as for the former districts.

Primary receipts of wheat were 1.8 million bu, a week ago was a holiday, and last year receipts were 1.2 million bu. Kansas City and Minneapolis stocks so far this week show a total decrease of 274,000 bu. When the visible supply is posted on Monday, it will compare with a decrease last year of 4.7 million bu.

Trade was only moderately active, but our market heeded the great strength at Minneapolis. Their July wheat was very strong, and with high temperatures in North Dakota we understand that some rather bullish reports had been circulating. Flour business was only of moderate volume, but there may have been a little wheat export business today, and some hedges were taken out of the pit early in the session. Corn was firm, but there was no feature to that market. The government continues to sell. Crop prospects remain favorable.

We continue to import wheat from Canada, 977,000 bu having entered the U.S. the past week, and since August 1st, we have received 33 1/2 million bu from that country, or more than twice as much as last year. Total Canadian exports to all countries have amounted to 264 million bu vs. 178 million bu last season. After allowing for 150 million bu for domestic use, there still remains for export and next carryover 337 million bu, with nine weeks of the present season still ahead.

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DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 June 9, 1952

For some time it has been argued that the importation of rye, oats, and barley, as well as feed wheat, was harmful to farmers in this country, and that it placed an additional load on the market at a time when we were paying out huge sums of money for subsidy. It is rather doubtful in our opinion whether this is a true picture, and we can recall long before any restrictions had been applied when often large quantities of wheat came here from Canada, particularly in years when the spring wheat crop was small. This enabled us in turn to export substantial amounts of hard wheat from gulf ports without necessitating the long haul in the shipment of grain from Texas and Oklahoma to the Dakotas. Now that freight rates are much higher than they have ever been before, and with the mills in the Northwest primarily interested in grinding spring wheat, we believe that there would be occasions when those practices might even be helpful, although there is a disinclination to permit Canadian wheat to come here unless it is for feeding purposes, and it is a fact that less than a million bu is allowed to be shipped to the U.S. for milling purposes. However, there are apparently advantages of bringing in rye and oats, and it seems to us that a ban on such shipments would have proved harmful rather than helpful. Actually the efforts of the Dakota Senators to gain approval for a total ban on these imports was defeated, although the proposal was tied into the present import ban on dairy products.

For example, in rye we shall raise probably only 17 to 18 million bu, and even that figure may be high unless North Dakota receives more moisture shortly. During the past few years we have consumed larger amounts of rye even though only about 5 million bu goes for bread, but practically as much as is needed for seed, and at times more than this amount is used by distillers, so that in addition to the small quantites that are fed, and may be some exported, we would have hardly enough to go around unless we supplemented our supply through imports. In oats the farmer has exercised a holding tendency to such an extent that many of the feeders in the Northeast states might suffer unless Canadian oats were brought in. Farmers in our country have learned through use of supplements to mix out oats satisfactorily right on the farm, and to feed them more efficiently so that very often we do not get much of a supply at terminal markets, and if there should be any eastern demand of consequence even with the big crops that have been raised there have been and might be distribution difficulties.

When our market opened this morning prices were barely steady except for rye and beans. Rye gained about 10¢ per bu on wheat during the past week, and here again we have an example of what happens when small crops are in prospect. Beans were strong on the high prices being exacted by those who have mixtures for sale, and that market has advanced to big premiums over the unadulterated product. As for wheat, it was influenced by a substantial lowering of temperatures in the Northwest, and while inconsequential rainfall was received in NorthDakota, there is at least some prospect that there may be scattered showers tonight or tomorrow, and in the meantime there has been some rather welcome moisture in South Dakota. In our Southwest, it was mostly clear and this should permit harvesting operations to enlarge. Nice rains were reported over the corn belt and while they were not needed recent temperatures had risen, and this had created a dry condition, at least for topsoil, so that benefits have undoubtedly been obtained.

The visible supply of wheat showed an increase of 1.6 million bu. Total stocks in all positions are 77.4 million. Corn decreased 1 1/2 million bu, while oats increased 1.6 million bu. Here in Chicago wheat stocks declined 138,000 bu, leaving 2 million bu in this market. Local corn stocks went down 304,000 bu to 11.8 million, an increase of 668,000 bu oats, so that we now have 7.7 million bu here. With the shipment of beans from Chicago, there was a decrease of 152,000 bu, leaving 1.1 million bu here. –

At about mid-session, there was gossip that CCC might stop its policy of selling corn. While we doubt this very much owing to the fact that there are continued demands in the country, to move old corn of questionable quality, nevertheless, it had quite an influence on the market. It also caused some local short-covering of wheat, which gave us a rally of several cents a bushel. Best prices were not maintained and even rye, which had been very strong early, reacted to some extent. Our reports from Oklahoma were very glowing and yields are turning out better than expected. We are also getting very favorable crop reports on European conditions.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 June 10, 1952.

After the close of the market today, we shall have the June government report. It will give the indicated production of winter wheat, spring wheat, oats, barley, and rye. Also, the yields per acre of winter wheat and rye. The spring wheat estimate, as well as that of rye will probably show some reduction from the private report issued earlier this month. Adverse weather in North Dakota has been the main factor in reducing the potential spring wheat crop, also the probable rye production, but in winter wheat we expect that production and yield have been fully maintained.

During the past ten years crops on the whole have been very satisfactory, but the expansion of agricultural production has been almost entirely accomplished by increased yields per acre rather than by any expansion of the areas under cultivation. Last season yields were 31% higher than in the prewar era (1935-39) as the joint result of a shift to higher yielding crops, better fertilizers, the use of improved seed, and better cultural protective, and feeding practices for plants and animals. One-fourth of our entire crop production may be attributed to the use of fertilizers. In 1950 farmers spent $744 million on fertilizer, and with it they earned $3 billion additional income, or $4.13 for every dollar spent on fertilizer. Of all these nitrogen was the most important, and one pound of it has produced about 20 additional pounds of corn per acre. Unfortunately, nitrogen is not always obtainable in the quantities in which it is needed but wherever it could be had it has become the powerful lever for lifting yields, as it had been earlier in Western Europe's agriculture. Probably this great improvement in farming technique could not have been accomplished had it not been for farm machinery and motor vehicles, which increased from $3.1 billion in 1940 to $15.5 billion in 1951. Gross farm income has risen from $11 billion in prewar years to $38 billion in 1951, which is quite a phenomenal advance even if one allows for depreciation of the dollar. There are, roughly 3 million farms, or more than half the total that are efficient in almost every sense of the word, supplying 95% of the marketed products. Of the remaining 2.8 million farms, two-thirds are the homes of part-time farmers and other non-commercial borderline farm people, while the other third are small farms and are generally under-equipped.

When our market opened this morning, beans and rye were rather firm. Wheat was somewhat lower and corn was indifferent for a time, but the latter cereal soon gained impetus when it appeared that recent buyers were not at all alarmed by the possibility that CCC selling might continue for a longer period.

Temperatures in our Northwest were rather high in comparison with yesterday, but it will probably become cooler, and at least the western part of the Dakotas is due for some rains, while the five-day forecast is fairly favorable. The crop reports from Occident and Peavey are not very satisfactory, and we would judge that some irreparable damage has been sustained, but more of this will be known later on when the government crop report is issued.

We also learned through Broomhall that the wheat crop in France is now estimated at 292 million bu. This figure is a reduction of 38 million from an earlier optimistic estimate, but is yet 33 million bu larger than last year's production. Light showers occurred over all Canadian provinces during the three-day holiday, but despite this Winnipeg rye futures were very strong.

Primary receipts of wheat were large and amounted to 2.6 million bu compared with 1.7 million bu last week, and 1.2 million bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 100,000 bu.

Just before noon, our time, the President told the Congress that the steel dispute might be handled either through means of the Taft-Hartley Act, or by legislation to take over the plants. He did, however, ask for seizure legislation.

Bookings of flour were small overnight. There were some hedges placed in the pit, and we find that over half the wheat moving in Texas and Oklahoma is coming on the free market. It is hardly the time to expect sustained strength. Corn bookings were heavy and prices did not hold; there was some profit-taking. The same was true in rye and in beans. However, beans retained a good part of their advance, and nobody seems to be aggressive in pressing the short side of the market.

A late weather forecast from Winnipeg indicated showers over southern Alberta today and tomorrow, also moving into Saskatchewan by tomorrow. Cloudy and showers were forecast for Manitoba.

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CHICAGO, 4 June 11, 1952

Winter wheat prospects continued to improve with the fine weather during May, and the government estimate after the close yesterday was for a yield of 1,060 million bu, or 74 million bu more than last month. If this promise finds fulfillment it will, according to the text of yesterday's release, exceed the previous record winter wheat outturn of 1947 by a narrow margin. On the other hand, spring wheat production was cut to 266 million bu, largely due to the dry weather in North Dakota and some decline in South Dakota, but a total spring and winter yield of 1,326 million bu would be the second largest production of record. Our largest crop was in 1947 when we harvested 1,367 million bu. The yields of winter wheat were particularly good in Kansas and Nebraska, where the outlook is for more than twice as much as was raised in 1951, but then there was also a heavy production in the soft wheat states, with Ohio estimated at 50.8 million bu vs. 34.3 million last season, Indiana 36.5 million against 23.5 million, Illinois 43.3 million compared with 33.3 million, and Michigan 38.1 million vs. 30.8 million bu a year ago.

The fact that early wheat prices held rather firmly, in spite of this news and also the nice rains in Canada which averaged nearly 1/2 inch for most of the territory, was probably due to the influence of the loan, and the fact that impoundings might again be heavy. There was also moisture in North Dakota, probably averaging 1/4 inch, and with an unsettled condition still prevailing up there further precipitation is quite likely. Thus there might be some improvement in their prospects over yesterday's government figures.

Price supports were originally intended for commodities produced in excess of domestic requirements, but at the same time they had the effect of taking the surplus off the market. The increase in price then stimulated production of that particular commodity, which had the effect of increasing the surplus. It should also be noted that once the idea of price supports was accepted pressure continued for higher and higher support prices, Wheat loans, which started out at 52% of parity, have gradually been forced to 90% of parity, and in the case of cotton, even a little more.

The whole parity policy was motivated by fear of a collapse of consumer demand, although for 12 years we have had a situation approaching, and sometimes exceeding, full employment, For the duration of rearmament it is almost impossible by definition to have a collapse of consumer demand. Props such as parity supports are not needed in times of high employment when consumer power and preference create prices favorable for the high output of farm produce. By tampering with the price mechanism, or with the market, the parity policy places breaks on prompt and effective adjustments to expressed consumer preferences at a time when all the prerequisites are ideally present. If legislators would take cognizance of these facts, we believe that there could still be favorable farm legislation, but probably in the form in which it was originally intended. It was conceived and started in a time of reduced agricultural income, and it was designed to provide, among other things, reasonable loans to carry the farmer over until such time as his products would increase in value to a point which would yield him a better return. It was not intended, however, to create an inflationary spiral in agriculture, which would finally dominate our entire economy.

Primary receipts of wheat were 904,000 bu compared with 755,000 bu last week and 515,000 bu last year. Minneapolis and Kansas City stocks so far this week show a total increase of 187,000 bu.

Markets were somewhat firm in the early trade following the lead of beans and rye; later on, however, pressure developed in wheat, and crop reports from the Southwest were very favorable, and there was a good deal of comment on the high yields and high testweights from the early harvested grain in Kansas. We heard of one field in particular in Oklahoma where an expert had recommended plowing it up because it would probably only make 4 to 5 bu, but was actually turning out 30 bu to the acre. Milling demand was a trifle better, but still not good. Mills bought July wheat at Minneapolis and strength there prevented extreme weakness in Chicago.

Rye reacted a little in spite of the fact that the crop is estimated at only about 17 million bu. Some people feel that the high price discounts this condition. Beans were strong; many country stations in Illinois reported prices at the ceiling.

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CHICAGO, 4 June 12, 1952.

For the current fiscal year ending June 30th, it is estimated that taxes of all kinds will absorb more than 30% of the national income. This, however, tells only part of the story. There are all told about 6.8 million civilian workers on government payrolls. This is equivalent to nearly one government worker for every 6.6 families in the U.S., as against a ratio of about 1 to 10 in 1929. The danger of all this is that we are following the lead of many countries that are dominated by Socialistic governments of some kind, bogged down by poverty, yet making exaggerated promises to their people while seeking financial aid from us. Those who are opposed to these policies fail to see why planners should urge us to follow the bankrupt programs of countries that cannot provide for their own people.

When our market opened this morning, it was influenced by a more or less bullish sentiment that had generated yesterday in beans and in rye, but wheat prices are still very close to the low level of the season, and there can be little encouragement to make purchases just before the winter wheat harvest gets well under way. It is true that impoundings are apt to be quite heavy, but this is something that we shall have to cope with later on, and with a total spring and winter wheat crop of 1,326 million bu even if there should be 400 million bu placed under the loan, which is about the largest quantity that was ever impounded, it might take months yet before the full effects would be felt.

There was some rain overnight in Montana but elsewhere in the Northwest precipitation had been light, and there was not much received in Canada. However, an unsettled condition still exists and we may have some scattered thundershowers during the next twenty-four hours.

Germany showed some interest in gulf wheat but we doubt whether any sizeable orders are going through now, particularly as the IWA subsidy is notyet available. We heard a report from New York that the subsidy might not be furnished until end of June, in which case pressure from hedges might supersede the removal of buying hedges against foreign sales.

Wheat is moving now in considerable volume in Texas and Oklahoma and harvest has moved northward to southern Kansas with The Southwestern Miller describing combining as proceeding at a feverish pace, probably for the reason that weather is literally made to order. In other years when farmers did not take advantage of sunny skies for bringing their grain safely in, there were often adverse conditions later on. Thus the element of time is always important. In our own purchases we find that about half the grain brought to country stations is being offered for sale, the balance either being held for the loan or for higher prices if they should develop later on. The country was still paying ceiling prices for beans at Illinois stations and probably in Indiana also. The out-inspections of soybeans from Chicago yesterday amounted to 93 cars, all of which indicates that the old crop is a rather tight adjustment between supply and demand. Even with the smaller exports we have not built up a burdensome surplus. To that extent beans are really in a class by themselves because with production increasing almost every year we have always found new uses for this commodity.

Primary receipts of wheat were 2,220,000 bu compared with 1,793,000 bu last week, and 1,670,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 140,000 bu.

Trade in wheat was more or less neglected; in fact, firmness when it occurred was borrowed from other cereals. Oats became very strong, and there was some talk of high temperatures in Iowa and Nebraska, but there is no certainty that the warm weather this season of the year will continue. Corn seems to be gaining friends, and a good many people are of the opinion that even with the selling on part of CCC that the government will own a substantial part of the carryover in October. There was a reactionary tendency in beans, after going into new high ground selling orders were rather numerous, and on the advance longs seemed willing to accept profits.

Flour sales are said to be increasing, but at this season of the year it would not be at all surprising to see a big business, and particularly so with the trade having exhausted pretty well old supplies.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 June 13, 1952.

Despite some depression that has existed in soft lines, business has been going along satisfactorily, and the Federal Reserve index of industrial production for April is placed at 217% of the prewar average, (1935-39). This is three points below the preceding month but about half the decline is attributable to a temporary curtailment in the steel industry. To give an idea of steel activity, it is figured that the first curtailment due to the strike accounted for a loss of 2,360,000tons of steel, which was the equivalent of eight days' output and that would be about enough steel to build one million automobiles. Since that time there have been further setbacks with the present strike now in its 11th day. We still have more than 60 million persons profitably employed and to fill the demands of the defense program and to maintain the output of civilian goods, the U. S. Department of Labor has estimated that employment will increase 2.3% for the twelve months ending December 1952.

When our market opened this morning grains ruled somewhat higher. There had been fairly heavy liquidation in beans yesterday. A good many people accepted profits probably for the reason that offerings from the country increased on the bulge, and it was figured that some of the processors might even be willing to curtail operations at conversions that existed if bean prices held at the ceiling. There had also been reactions in rye yesterday, but with weather not too satisfactory in our Northwest, the market seemed to have a better undertone in the early trade, and we still do not have the relief in North Dakota that had been hoped for. There was fairly good precipitation in Minnesota and there were good rains in Alberta, with some light to moderate showers over Saskatchewan. But the weather map still shows an unsettled condition; so there may be a little hope at least for relief in the Dakotas, although the official forecast is not optimistic. Temperatures are averaging a little lower and according to the five-day weather outlook no severe heat is in sight. Rains in north central Alberta indicated that more than an inch fell in several spots but elsewhere across the Prairies it was confined to isolated thunderstorms and moderate to warm weather is indicated. They had a good deal of heat again in Kansas, Nebraska, and Iowa, and this was reponsible for more apprehension with respect to oats. That cereal which became so strong yesterday strengthened again this morning with pressure on the market very light.

There are no complaints in the Southwest and harvesting of wheat is expanding, but at the same time there is no real interest to sell with the result that the market has not had to absorb too many hedges. Wheat opened somewhat higher because of this factor and in sympathy with the strength in other pits, but generally speaking it is not felt that even if large quantities of grain are impounded there is any immediate rush to buy.

Easier credits generally have been restored to business but yet there is no immediate threat of further inflation. The cost of living in all prohability will remain stable for the balance of the year, and if there are cost increases resulting from a steel settlement it may not all be passed along to the consumer. In fact, some of the advance may have to be absorbed by business.

Primary receipts of wheat amounted to 2,345,000 bu; this compared with 1,881,000 bu last week, and 1,337,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 182,000 bu. When the visible is posted on Monday it will compare with a decrease last year of 4.1 million bu.

There was a fair amount of strength during the first part of the session. Flour sales had picked up to some extent, but The Southwestern Miller stated that no wide-spread activity had been noted. There is still a waiting tendency, possibly on the theory that prices will decline when winter wheat pressure increases during the next few weeks. The warm weather was the main influence in oats, but even that commodity did not maintain the full advance, while in rye there seemed to be profit-taking, and some of the people who had been in the market for months were apparently accepting profits. Wheat and flour exports in the United States during the week were 5 1/4 million bu, bringing the total to 435 1/2 million bu for the season compared to 329 1/2 million last year. Total corn exports since October 1st have been 58 1/2 million bu vs 90 million bu last year. Broomhall stated that last week Argentina for the first time in his recollection, had no grain of any kind shipped from that country. 99 cars of soybeans were shipped out of Chicago yesterday, and stocks here probably will show a good decrease on Monday. This is one reason why the market held reasonably well at times, despite some selling.

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CHICAGO, 4 June 16, 1952

While it may be a little too early to tell how much wheat and other grain will go into the loan, forecasts are being made that the quantities may be more extensive this fall than for the 1951 crops. First of all, the price support loan program is better understood now than it was years ago, and more farmers have had experience with the handling of papers, etc., so that precedent for other years may not be entirely true in determining farmers' intentions. The Department of Agriculture expects the largest loan program in wheat since 1942 and figures that it might even be larger; that year 408 million bu was impounded out of a total crop of 969 million bu. Of course, we were doing only a small export business at that time, and finally the carryover reserve was the largest on record, which may account for the fact that farmers availed themselves of this privilege. However, if currently indicated large harvests of wheat and other grains are reqlized, prices will probably be near support levels, and in some instances, like wheat, may even be below them. The CCC now owns grain bins with an aggregate storage capacity of about 544 million bu. Both farm storage and commercial storage capacity has increased in recent years. It should, therefore, be possible to handle very large harvests without difficulty if grains are of storable quality. All this is mentioned in great detail, as it may become an important factor later on. For the time being we find that in Oklahoma and in parts of Texas, we are buying about half the arrivals coming to our country elevators, although we understand that the percentage is not as favorable in other parts of the country.

It is rather interesting to note that despite heavy liquidation of CCC corn holdings, the primary movement to-date has been smaller than last year by a wide margin. Since the beginning of the crop-year, October 1st, to the present time, 242 million bu corn was received in the various markets compared with 299 million bu last year. Of course, it was not necessary to have such large quantities owing to the fact that our exports have been considerably lower; in fact, almost as much less as the drop was in the primary movement. Also, we have to take into account that some of the industries were able to get their grain at country points, and thus there has been no shortage or squeeze at any time. As for oats, we have not had a big movement from the country to terminals but imports have helped out, and during the month of May we received 10 million bu from Canada, and since July 1st to June 1st, 53 million bu has come into this country. Should anything happen to our oat crop because of high temperatures that now prevail over Iowa, Nebraska, etc., we might be very happy to have the inbound shipment of oats continue.

There was some fine moisture in Canada over the week-end and rains were fairly general over southern Manitoba and southeastern Saskatchewan, these districts having needed it the most. Showers that occurred over portions of the Dakotas and Minnesota were spotted but in some areas quite favorable. Much lower temperatures are in sight by tomorrow afternoon for all sections of the country and thermometer readings have already fallen decidedly over the Western Canadian Provinces. A showery condition still prevails Northwest and we may have further rainfall over portions of the Dakotas and Minnesota tonight, followed by clear skies.

When the visible supply of wheat was posted there was an increase of 4.3 million bu; total stocks in all positions are 81.7 million bu vs 65.6 million last year. Corn decreased 2.3 million leaving 33 1/4 million bu in various markets compared with 44.4 million last season. The visible supply bf oats increased nearly 1 million bu, to a total of 13 1/2 million bu, or a little over a year ago. Chicago wheat stocks declined to 1.9 million bu, corn declined to 11.4 million bu, oats increased in our market to 7.9 million bu. There was a small decrease in rye, leaving 464,000 bu here. Beans were about a standoff, and there is 1.1 million bu in Chicago.

Markets were rather dull, there was strength at times in rye and in beans, but this had very little influence on wheat. As a matter of fact, all wheat futures sold at new lows for the season, and as yet buyers are at a disadvantage becaue of the prospective pressure, even granting that large quantities finally will be impounded. Corn did not do very well, except that the deferred months were relatively strong. July corn went to a further discount under September, and it is believed that there may be fairly large tenders on the July contract. There was some selling of July against purchases of later months, and we expect to see further widening of the carrying charge.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 17, 1952.

Some of our economic planners contend that a nation will not prosper unless government watches over the people, protects them from want and fear, and even directs their social and economic activities through an ever-expanding bureaucracy. For a short period of time it may appear that living standards of the majority of people are being raised by lavish federal expenditures, but in the long run our whole economy bogs down under the pressure of heavy taxes and the blighting influence of bureaucracy. To accomplish these things there is a heavy drain both on individuals and on industry. For example, last year one of our largest companies, General Electric, paid 67% of its net income in federal taxes, while 21% was paid to the owners of the business in the form of dividends, and this left only 12% for reinvestment. In other words, they paid a tax bill of $402 million, or at the rate of $1,000 in taxes every 78 seconds of the day and night, which did not include an additional $65 million which they were obliged to collect for the government in sales and excise taxes.

Even these aforementioned outlays are only the visible taxes. About an equal amount was paid out directly or indirectly in hidden or invisible taxes, and actually a part of every dollar paid to suppliers represented taxes which had been paid through some other means. Added to that a part of every dollar paid to employees and to shareowners was subsequently taken away by government in taxes; so it is difficult to protray a true picture of how much the government actually absorbs through devious methods. The stage has been reached where the American people must decide whether they want tocontinue under the American system or to proceed blindly along a road that leads downward and backward toward a system of regimentation. In any event economies in government must be sought and unnecessary federal outlays must be curbed.

When our market opened this morning there was little to guide it except that the carryover feeling in wheat was a little pessimistic owing to the fact that everyone who had previously made purchases must have had a loss, as last night's closing figures were at the very lowest level of the season. This morning with further declines new lows were established for all wheat contracts, and this had the effect of influencing conditions in other pits.

There had been no moisture in the Northwest of consequence, although a few showers along the Canadian border. Canada fared somewhat better and there were some light scattered showers in the Peace River area of northern Alberta, the balance of Alberta was overcast, but it was mostly clear in Saskatchewan. Cloudy and cool temperatures were reported in Manitoba. The Peavey crop report that was published this morning spoke of scattered precipitation during the week with good rains in the Devil's Lake to Crookston areas for the first time this season. Southeastern South Dakota and southwestern Minnesota also had good rains. Unfortunately there was little or no moisture for the driest parts of the territory served by that firm. As a result prospects deteriorated further. There is no prospect for precipitation of any consequence during the next twenty-four hours, although the five-day weather outlook is slightly more favorable and may bring some relief, although it is getting late in the season and in some areas wheat is beginning to head out on short straw, and many stands, especially in North Dakota have shown the strains of drought.

Statistics did not count for much although the primary movement of wheat was very large and amounted to 4.7 million bu, nearly twice as much as last week and compared with only 1.5 million bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 20,000 bu.

Wheat was a little stubborn after the early decline but both soybeans and soybean oil were subjected to liquidation, and those markets broke rather sharply. This also had some influence on rye, which had been heavily bought during the last few weeks. One of our good friends in the Northwest felt that the crop had gone back, possibly 2 bu per acre since the government report was issued, and that spring wheat might not yield over 225 million bu. However, not too much attention was paid to this in view of the fine winter wheat prospects. We believe that if May wheat is accumulated at these levels, while it may not be the low point yet, finally holders will win out, as eventually artificial factors will probably give us a higher market. Those making purchases at this time may have to exercise patience as there is still pressure ahead from the movement of wheat in the Southwest.

Corn was weak and fairly large deliveries are possible on July contract. Meanwhile government selling continues and we believe this will be the case well into August.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, 4 June 18, 1952.

Temperatures in the Northwest are more moderate but there has been no real relief in North Dakota, and each day now is important as some of the wheat is beginning to head out on short straw, and we are afraid that there have been rather severe crop losses sustained even since the government report was issued. It is true that some light scattered showers have occurred along the Canadian boundary and in North Dakota, but this is hardly enough at a time when there has been such a lengthy period of drought; in fact, very little rain has fallen in the important wheat state since the 1st of April. Some scattered light showers are possible for Minnesota and North Dakota this afternoon, thereafter clearing; so one can only conclude that we may have to be satisfied with a short spring wheat crop even assuming that there is some improvement in weather during the next week. We do not pay too much attention to the Weather Bureau's 30-day outlook, but even that cannot be counted on to bring more than frequent but brief showers during that period.

When our market opened this morning prices were somewhat lower, and in fact, all wheat futures except the May delivery scored season's lows. Pressure however, was not heavy and shortly after when soybeans became rather strong there seemed to be a little better buying power, although traders have become timid and many feel that even though the price of March and May wheat is low compared with loan levels, there is no particular rush to buy.

Broomhall's Foreign Crop Summary was mostly on the favorable side, taking into account most European countries, although unsatisfactory conditions prevail here and there, including Italy and the Danubian Basin. On the other hand, there has been no appreciable change. French weather has favored crops, and an official estimate places the wheat yield at 280 million bu, which is somewhat below recent private calculations, but it is a rather stiff reduction from earlier private forecasts. Last year that country raised 259 million bu. There have been some reductions in Italian prospects due to partial dryness. However, the reverses are not said to be great.

Here at home harvesting operations are expanding, and yields generally are satisfactory, although there have been a few areas where high temperatures have done some damage, but on the whole prospects are still for a bumper yield. —

There is nothing new in the economic outlook and for the time being inflation factors have lost their force. Defense leaders continue to complain about prospective cuts in military expenditures. They list many articles that they would have to do without during the next twelve to eighteen months if Congress finally approves the limitations. Such items as 3,000 planes, 3,400 tanks, 55,000 jeeps, and 78,000 trucks are included, but it should be noted that since the outbreak of the Korean war just two years ago, Congress has made available in appropriations for defense purposes far more money than the military has been able to spend. As a result of this lag in spending of available appropriations, the Defense Department will enter the 1953 fiscal year, beginning on July 1st, with about $58.4 billion of unexpended funds carried over from prior year appropriations.

Primary receipts of wheat today were 2,315,000 bu compared with 904,000 bu last week, and 765,000 bu on comparable day of last year. So far this week Kansas City and Minneapolis stocks show a net increase of 114,000 bu.

It was reported during the session that Germany bought 1 1/2 cargoes of hard winter wheat out of the Gulf for July shipment, and also that some further quantities are being offered this afternoon. The Southwestern Miller reports that flour sales have picked up slightly, but the volume is small, and the improvement is certainly no indication or forerunner of any large scale expansion. The trade seems to hold off pending an enlargement in the movement. Export flour demand was also inactive. In the early part of the session weakness was expressed in most pits, but this situation was offset by buying on part of commission houses and locals, and also helped by the strength which again developed in beans. Oil prices were somewhat better.

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CHICAGO, 4 June 19, 1952.

The Chicago Rock Island Railroad published a crop report as of June 15th covering the states they serve and sharp reductions in wheat were shown in comparison with the last government estimate. For example, there was a reduction of 18 million bu for Kansas, 12 million for Colorado, 7 million for Illinois, 13 million for Nebraska, and 15 million for Oklahoma. All told their indications were for a total cut of about 80 million bu. This had some influence on our market, at least for the first hour. It is our feeling that the Rock Island Railroad cannot possibly have all the facilities of the government in the estimating of crops, and while some reductions may have occurred due to the heat wave of the last ten days, we do feel that one will have to await final harvesting reports before accepting today's figures at their face value.

There was very little moisture in our Northwest, and while a few scattered showers are expected here and there we could hardly find comfort in the immediate outlook based on the partial drought which has occurred thus far. While Canada has fared somewhat better, the government weekly crop report still calls attention to the fact that rain is urgently needed in many parts of the Prairies. There were a few light scattered showers last night in Saskatchewan, but apparently the driest districts comprise southern parts of Manitoba, the extreme southeastern and south central parts of Saskatchewan, as well as southeastern Alberta. The northern area of the Peace River district could also stand good rains; in fact, a good soaker would be extremely beneficial, and until weather improves we imagine that there will be some apprehension with respect to the final outcome. As we mentioned in our market reports and letters for the past two days, the most potent factor still in price development is the loan, and on the assumption that impoundings of wheat may be the heaviest since 1942, it looks altogether possible that higher prices will be recorded later irrespective of what may occur during the next two or three weeks. Many traders are still cautious and feel that there is no rush to buy for investment purposes at this time. Some say they would rather pay a little more and wait until about the middle of July to see how much pressure Chicago has to absorb when the red winter wheat moves in volume.

Farmers' cash receipts from marketings in the first six months of 1952 are tentatively estimated at $13.3 billion. This would be 4% higher than for the same period last year. Approximately 7% more farm products were sold this season but prices averaged a little lower, yet there was a net improvement.

Receipts at practically all southwestern markets were very large today, but yet there was not very much pressure in the way of hedges. We imagine that the price is a deterrent to farmers in selling, and that large quantities will either be held or put into the loan. Primary receipts of wheaat were 4.4 million bu, about twice as much as last week, and compared with 1.7 million bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 80,000 bu.

Milling demand showed some improvement; this was really the first upturn of consequence in some time. If prices hold, business may improve further. U.S. wheat and flour shipments for the week were down to 3.6 million bu. Since the first of July they have amounted to 439 million bu compared with 343 million bu a year ago. The spring pig report showed a decrease of 9% from 1951; this was regarded as a little bearish on feed grains, but even before the report was issued corn had shown inherent weakness possibly for the reason that CCC continues to sell. We hear from people downstate that several large lots of corn were to be loaded out soon. Apparently there is fear of deterioration if the corn should be kept in storage during the hot months.

Beans were quite strong. There was talk of Japan taking another cargo; one commission house was predominantly on the long side of the market, and recent liquidation had been quite heavy, so that there was little opposition to this new buying today. More Canadian oats are headed for Chicago.

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CHICAGO, 4 June 20, 1952.

The great stimuli to our economy have come from defense expenditures and money spent for new plants and equipment. In some quarters it is thought that rising defense expenditures will furnish additional stimulus to the economy. However, according to one source government outlays for defense, including foreign aid, in the month of May were on basis of $50 billion annually. The authorities in Washington have forecast that they will spend $52 billion in the fiscal year, beginning July 1st for the war effort, and to this amount might be added $5 billion for foreign aid, or a total of $57 billion. However, there is at present a bill in Congress that would restrict action of the defense expenditures for the coming fiscal year to about $46 1/2 billion, and if we add another $5 billion for foreign aid, the total would be $51 1/2 billion, or not much higher than the basis of expenditures for May and June. As far as capital expenditures are concerned on part of business, they have been at the annual rate of about $25 billion, but it is expected that after the second quarter of this year same will taper off and possibly not exceed $15 billion thereafter. Construction activity has also been at a high level and, therefore, in trying to cast about for the future, it would seem that barring an all-out war, we have about reached the peak, and could expect some declines. Following the possible outcome of the steel difficulties, somewhat higher prices may develop. However, we have gotten to the point now where there is more resistance, and it is doubtful whether the entire increase in cost can be passed on to the public.

Broomhall estimates that the world carryover of wheat at the beginning of the new-crop year (figuring the U.S. as July 1st) will total 567 million bu. While this will be almost 100 million less than in 1951, and 75 million less than in 1950, it exceeds the years prior to 1950, and would compare with the average of 1947-51 of 482 million bu.

There were some scattered showers over portions of the Dakotas and Minnesota, with further scattered showers and thunderstorms forecast, but from what information we have had up to the present time they have been light in character and there can be no doubt that the spring wheat states have suffered a setback, which even good soaking rains could not entirely repair. We also believe that the crop in Colorado has suffered from high temperatures and lack of moisture, also the crop in Nebraska, with some damage in the northern areas of Kansas. However, the yields in Oklahoma have been far better than anticipated, and the same is true where threshing has been in progress in Kansas, and has been some offset to the damage in winter wheat areas. The rapid ripening of the Kansas crop has resulted in a large portion of the crop being ready for harvest at the same time.

Regardless of widespread loan participation, the market has shown weakness, which reflects the anticipation of a large winter wheat production. Farmers are not offering wheat freely; however, this should increase somewhat as holes in the country are filled.

A report of the U.S. Department of Commerce Weather Bureau, shows that for the March-May period the percentage of moisture in the major area of North Dakota was only 25% of normal, with the exception of the northeastern section, where it amounted to 50%. In South Dakota, the northcentral and northeastern sections only received 25% of normal moisture, and the balance of the state 50%. The western half of Minnesota and the northeastern part of Montana received 50%, elsewhere in these two states it was about normal.

Primary receipts of wheat today totaled 3,478,000 bu vs 2,345,000 bu last week, and 1,204,000 bu comparable day of last year. Kansas City and Minneapolis stocks show a net increase of 301,000 bu. When the visible supply is posted on Monday it will be compared to a decrease last year of 1,793,000 bu.

The Secretary of Agriculture announced that there would be no acreage allotments and no marketing quotas on the 1953 wheat crop. Broomhall comments that southern Italy has suffered a reduction in wheat yields due to dry weather. According to The Southwestern Miller the pace in flour sales slowed down abruptly on an upturn yesterday in the futures price.

Weakness in corn sort of paced the market today. The weather throughout the corn belt has been almost perfect for the proper development of that plant, and furthermore, it is anticipated that there could be rather substantial deliveries of corn in July. Another cargo of oats cleared Fort William for Chicago.

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CHICAGO, 4 June 23, 1952.

In past years there was never very much fear of weevil or rodent excreta in wheat, probably for the reason that the crop was generally moved from the farms a few weeks after harvest, and then was treated at terminal elevators if any unsanitary conditions arose, or if anything in the way of damp or humid weather attacked the quality of the grain. By proper aeriation and moving wheat over the belts it was also possible to keep it in good sanitary condition, while at the same time prudent elevator operators kept their warehouse free from rats, mice, vermin, etc., taking a great pride in handling of their product. Recently, grain under the loan, has been kept much longer on the farm, and therefore when it came to market it was sometimes in rather inferior shape, and a little more difficult to treat. The Pure Food and Drug Act was primarily intended to prevent any evil practices that might exist in any trade in an effort to keep food products safe for consumers. During the last few months they have threatened to crack-down on either terminal or country warehousemen who may be concerned with weevily wheat, and according to some advices after the first rush of harvest, wheat in rather large volume might not pass the tests as they are presently proposed. The fear is not necessarily with respect to the Food and Drug Administration, and the top men of the Administration, but the caprisious crack-downs by over zealous field inspectors who might want to show their authority. Some believe that with all the publicity that is being given to this tightening-up of grading in an effort to raise standards of inspections that it will have a rather adverse effect upon housewives, particularly if a great deal is said over radio and through the press. Stories are heard about farmers and the manner in which they permit weevil to enter into grain, also the presence of rat manure, and it might even have the effect of lessening consumption if stories are distorted or made unrealistic through exaggerated activity in that direction. We realize that the Food and Drug Administration does not intend to become sensational in its first operations, but there has been no formal announcement as to exactly how they would operate, so the fear of seizure persits, and it has placed a great scare into trade channels generally.

When our markets opened this morning the carryover feeling was slightly bearish, probably for the reason that Kansas City had been weak late Saturday, and there was a further break in that market this morning. Receipts are very heavy, and while very likely a good part of the crop may be held back or may later be intended for the loan there seems to be a sufficient amount of free wheat to discourage enthusiastic buying at this time. There were some wonderful rains in Alberta and Manitoba, but unfortunately North Dakota did not fare as well. In fact, only a nominal amount of moisture was received in the Dakotas at a time when we really should have a good soaking. Most men in the spring wheat areas belive it is pretty late to improve prospects considerably, even if there should be widespread moisture at this time. However, they do admit that further deterioration might be prevented, and there could even be some improvement in the outlook, although at best we doubt whether the spring wheat crop will exceed 200 million bu unless some phenomenal change takes place.

When the visible supply of wheat was posted there was a huge increase of 19 1/2 million bu, total stocks are 101.3 million bu compared with 145.6 million bu last year. Corn decreased 1.8 million bu, leaving 31 1/2 million bu in all positions compared with 41.8 million last season. Oats declined nearly 1/2 millionbu; with a stock in various markets of 14 million bu we have just a shade more than was on hand a year ago. Here in Chicago, the local wheat stocks decreased 208,000 bu. A car of #1 red winter wheat sold here at the July price, but generally speaking the movement is still a few weeks away. Local corn stocks decreased 916,000 bu to 10 1/2 million bu; oats, due to imports, increased 1.1 million bu, with over 9 million bu in this market. There is still more than a million bu of beans here.

Markets were inclined to weakness at times, but there was no great pressure, although in corn of the 258 cars received here, 220 were for the account of the Commodity Credit Corporation. This continual selling by the government restrains any possible bullish enthusiasm, although offerings from the country were very small. Beans were weak in sympathy with the sharp break in meal, and with a chance of a lesser feeding during the months ahead, there is a little more

bearish feeling in some quarters with respect to feed ingredients. Meal prices showed some recovery before the close. UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 June 24, 1952.

There were some pretty fair rains again in Canada, and also some scattered showers at a few points in South Dakota, with rather heavy precipitation in Minnesota, but North Dakota was not favored, and since it is getting very late in the season, hope has been abandoned for anything like a normal crop. We were somewhat surprised to read an article in the Minneapolis Tribune this morning which claimed that rains had broken the drought in much of the critically dry crop area of North Dakota. It stated that rain there Monday had brought a heavy amount to the parched state, but yet the opinion of the writer was somewhat modified owing to the fact that the rain had been spotted, and it was not a general soaker, but at least parts of the wheat areas had been benefited. We rather take it that the drought earlier in the season, with very little rain since last April, has left its mark on that state. According to the Peavey Elevator crop report this morning, some slight improvement has occurred since last week. The scattered precipitation, while generally insufficient in the driest areas, had been beneficial to late seeded wheat, but the early fields were heading out on a short straw, with small heads. Some people believe that North Dakota will be fortunate if they raise half a crop this season, although with the five-day weather outlook indicating possibly 1/2 inch of rain, there is always a chance for some little improvement, although we believe it will be modest in character, as adverse weather has continued for too long a time. One of the reports also talks of a disturbing factor in the general appearance of stem rust on wheat, and Durum in particular, but the trade still has in mind that the winter wheat crop was a very big one, and even assuming that some areas may have deteriorated owing to the hot weather which occurred, there are other districts where the yields are even better than had been earlier anticipated.

Possibly by the end of the week or certainly by the middle of next week we believe that the IWA subsidy program will be repeated, and when that time comes sales to Europe will be on a much heavier scale. We heard this morning that $10 million had been appropriated to Germany for the purchase of wheat, and $2 million for milo. This is only the beginning of what will probably be a fairly large program. To what extent we will be able to ship this year, of course, will depend on the final outcome in Canada, and also the size of European crops. Outside of Italy, prospects abroad seem to be fairly good, abundant rain has fallen in Germany, and this dispelled any fears of drought damage. While the French crop was reduced from earlier figures, they still have a good yield, while in Britain good rains have fallen in northern sections. However, in the south it was rather sporadic. Generally speaking temperatures have been on the cool side. Conditions in India seem to be improving; Monsoon rains are spreading in the northwest, and Autumn sowing prospects there are now reported excellent. From all we hear some stocks have been built up in India due to heavy shipments from export countries last season.

Primary receipts of wheat were very heavy, and amounted to nearly 5 million bu. Reports from the Southwest indicated heavy carlot deliveries at practically all points. A week ago the primary movement was almost as big, but compared with less than 1 1/2 million bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 135,000 bu.

Markets were all pretty strong. We believe that despite the heavy receipts, and with only light pressure and few hedges, that the trade is beginning to feel that the impoundings will be big, and that finally we may have to go to a redemption price if an artificial situation develops later in the season. Corn was strong, and there was not only short covering but we heard from two counties that PMA had received directives that they would issue no more shipping instructions until after August 1st due to the fact that oats were to be given preference, and apparently there is a shortage of cars developing. The corn already loaded will be completed, but we understand that no new shipping instructions are permissible. How general thisis, we cannot tell. There was also a report that Austria was inquiring for 9 cargoes of corn, but there seemed to be some doubt whether this business would be put through immediately. There was a little better sentiment all around, and the close was quite strong. Beans, however, went contrary to the trend.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 June 25, 1952.

There was no special news overnight, except that temperatures in Canada had dropped considerably. It had been very warm up there, and more moderate weather should be a relief for crops. Rains were reported in southern and central portinns of Minnesota, also in parts of Montana, but unfortunately North Dakota was skipped again. Several of our friends doubt whether that state can produce more than about 7 bushels to the acre. It now looks as though the spring wheat crop might not exceed 200 million bu, which is certainly a failure based on earlier expectations, and on the quantities which were harvested last season. Ideal weather continues in theSouthwest, with more than 25% of the Kansas crop already harvested, and a large proportion has ripened, so that if the weather holds out harvesting should be completed within the next two or three weeks, and may be the earliest on record.

There are two factors which we believe have to be watched. One is the amount that will go into the loan, and at present farmers continue to hold tightly, although later on if storage facilities are taxed we may have more free wheat. In any case, it is likely that the total placed under the loan may come up to the large quantity that was impounded in 1942. At that time, the total crop was considerably smaller than the current one. The other factor, is the amount which we shall be able to export in competition with Canada. They had not only a large carryover, but the present outlook is very favorable. According to reports coming to us, good rains throughout most districts have improved crop prospects very materially. There is very little mention made of the bad sections, although some areas received less moisture than others, but wheat seems to be averaging about 10 inches in height.

One of our good friends, Dr. Melchior Palyi, throws an interesting comment on European financial affairs in saying that --"Europe is beginning to open its monetary windows to let in the fresh air of the free markets. The British, in particular, realize at last that they will never be a going concern unless the currency's convertibility is re-established. They continue to lose gold and dollars, if only at a slow rate. ***** Holding the pound behind foreign exchange barbed wires keeps it on the verge of depreciation, selling at a 10 to 15 per cent discount, induces capital flight, strangulates foreign trade, raises domestic costs, and endangers the survival of the EuropeanPayments Union as well as of the Sterling Area. Britain's financial independence and economic future are at stake."

We had a report this morning that Argentina, which is in most years essentially an export country, is now inquiring for wheat. They are asking for offers on 200,000 tons, which might be the beginning of larger quantities that may be required later on. The Wall Street Journal has a front page article which states that Argentina is preparing to import, and thus one of the countries which ordinarily supplies grain for Europe is on the opposite side of the ledger from normal times. This may be due partly to the poor crops, but the fact that acreages have been declining in recent years must also be an important factor.

Primary receipts of wheat amounted to 3,767,000 bu, which compared with 2,315,000 bu last week, and only 621,000 bu last year. Kansas City and Minneapolis stocks so far this week show an increase of 1,159,000 bu.

Trade was a little more quiet than yesterday, at times wheat was firm, probably in sympathy with corn. There were various reports from the country as to whether CCC would suspend selling of its holdings. It is rather difficult to get uniform information, but in any case, July corn went to a small premium over the September delivery.

Crop news from Europe was mostly on the optimistic side; France is expected to have a wonderful wheat yield, although somewhat smaller than earlier estimates. Even in Italy, where yields are somewhat below first expectations, they tell us that new-crop deliveries are excellent, and rainfall was good over most of the north, and yields likely to offset at least partly the reduction in the south. There is some export business in themaking, but those who are close to the picture believe that the total quantities for the coming season will be quite a little behind those that were shipped in the current crop year. Bolivia is asking for some offerings on wheat, but it appears not yet ready to buy. It was reported that Greece had bought four cargoes of Manitoba wheat, and apparently Canada will be a big competitor in the months ahead.

Soybeans, which had been so weak yesterday, showed a better undertone this morning.

UHLMANN GRAIN CO.

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with 2,215, [illegible]

[illegible]

DAILY MARKET LETTER

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 June 26, 1952.

Under the driving force of private initiative our country has made spectacular gains. More material progress has been made during the past 150 years under the American system than the world had made in all the preceding centuries. With less than 7% of the world's population we have about as much income as all other countries combined. However, our resources and our wealth are only a small part of our greatness. In educational fields we have likewise accomplished great wonders. Prior to the establishment of the capitalistic order, education was available only to a select few, but at the present time school doors are open to almost everyone of average ability. During the past six decades the average number of days of school per year attended by each pupil in the public schools had nearly doubled, enrollment in our colleges has increased about 10-fold since 1900, whereas the increase in population during this period was less than two-fold. United States spends as much money in training its young people as do all other countries combined. In the history of civilization no nation has ever been as generous as this country in the extension of aid to other countries. The moment the war was over the stricken nations of the world turned to us for relief and rehabilitation. Since July 1945 the U. S. has extended aid abroad in the form of loans, property, credits and gifts of probably $35 billion, or more, while Russia on the other hand has taken over half as much in booty, reparations, and occupation costs. Our constant aim has been to restore world recovery and international peace.

There was not very much news to guide our market this morning. The International Wheat Agreement has again become operative, although this had been fully expected, and it was merely a question of time as to when the details would be announced. Chances are that quotas will be the same as for the preceding year, and a total of 253 million bu of wheat is involved on which a subsidy will be paid to the shipper on any grain exported from August 1, 1952 through July 31, 1953. Maximum prices are close to last year's, which were based on $1.80 per bu Fort William, Canada. Thus, we are prepared to ship this wheat at prices below our domestic level in order to encourage business. In the crop year about to close we shall probably have sent about 460 million bu from these shores. According to Broomhall, exports last week of wheat and flour amounted to 6 1/4 million bu, and since July 1st, 453 million bu was exported compared with 350 million bu a year ago. There is no certainty that we will do as well in the next 12 months, owing to greater competition from Canada.

It was only the wheat shipments which were in any big volume during the current season. The subsidy was a big factor. We find that exports of soybeans since October 1st have amounted to only 13 million bu compared with 27 million a year ago; barley exports were 27 1/2 million since July 1st compared with 33 million last year; in oats, we only exported 1 3/4 million bu versus 3 1/2 million the season before, while rye shipments at 4 3/4 million were slightly less than a year earlier. Since October 1st we have exported 60 million bu of corn vs 93 million last year. Thus, it can be seen that wheat was the only cereal that was really in great demand, probably due to the fact that Southern Hemisphere crops had turned out badly. The Canadian situation also may have favored us because much of the wheat which had been grown in that country could not be harvested last fall due to adverse weather conditions. However, it was brought in safely, and spring harvesting operations, together with the favorable outlook, might mean much more competition in the year ahead.

Primary receipts of wheat were larger at 5 3/4 million bu compared with 4.4 million bu last week, and only 1.1 million last year. Kansas City and Minneapolis stocks so far this week show a total increase of 2.2 million bu.

There was very little stability to wheat, and storage space Southwest is filling up rapidly, the quality of the grain is beautiful, and in spite of the export subsidy it may take a little time before business develops. Pressure on our market is not commensurate with the volume of wheat coming to terminals, and we still believe that to the extent that storage space is available, impoundings will be very heavy. Flour sales were a little improved, but there seems to be no real urgent demand. Corn was somewhat lower after the last few days of advancing markets. The July future went to almost even money compared with September, and chances are that deliveries on July contract will be quite heavy. The Chicago corn-hog ratio is 10.4 vs 10.3 last week, and 12.7 last year. Beans were strong at times, and the country is hardly offering anything except at ceiling prices.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 June 27, 1952.

The Commodity support program was conceived and started at a time of reduced agricultural income. It was designed to provide, among other things, reasonable loans to the farmer until such time as his products would increase in value to a point that would yield him a better return. As we all know, that concept has been completely abandoned with the result that the initial loans of modest proportions have been greatly raised and for example, the relatively modest loan of 1938 of 72¢ per bu for wheat at Kansas City, which was put into effect when farmers' prices were severely depressed, is about 3 1/2 times that figure at the present time, even though the farmer is enjoying great prosperity.

Secretary Brannan, in a press conference yesterday, said that he did not fear any sharp price declines for wheat in the event that farmers made full use of the government price support program, and that he watched markets very closely. He further stated that the Department was continuing a campaign to educate farmers in the best way to market their wheat. Some farmers, he said, made a practice of selling wheat as soon as it was harvested but that on many occasions they would do better to place their crops under the government loan and thus wait for better prices.

We doubt whether the farmer needs too much education in that direction as he has had valuable experience since 1938 of withholding his crop or impounding it when he was able to get a better price through government benevolence than by selling it outright on the market. Indeed, as far back as 1942, there was 408 million bu of wheat placed under the loan which was nearly one-half of the total raised that year. We have had other years when the market was more attractive and when consequently smaller quantities were impounded, for example, in 1946 and 1947 when crops were well over the billion bu mark, there was about 22 to 31 million bu placed under the loan in each of those years, indicating that the farmer watches the situation very closely and does not need much prompting from Washington officials.

At the present time there is a huge amount of wheat moving in the Southwest, and the Santa Fe Railway office reported yesterday that it had 6,000 cars of wheat waiting to be unloaded at Kansas City and Oklahoma grain terminals. Loaded cars also are accumulating in other terminals and that carrier stated that even if they could furnish more empty grain cars that it would only add to the mounting congestion. The Associated Press mentioned that Kansas wheat was swamping railroad yards so badly that carriers would probably slap an embargo on the shipment of most grains at midnight Friday. Wheat, apparently is being piled on the ground in many places owing to the fact that it is being cut faster than it can be hauled away. The embargo would apply to grain intended for storage in the markets of Kansas City, St. Joe, Hutchinson, Salina, Wichita, and other points. However, this will probably tend to make for more orderly marketing and should therefore not have much effect upon the final price level nor upon the total movement of grain from countrypoints to market.

Primary receipts of wheat were a little over 5 million compared with 3 1/2 million last week, and a little less than 2 million last year. Kansas City and Minneapolis stocks so far this week show a total increase of 3 1/2 million bu. We should have a very large increase in the visible supply on Monday, which will compare with an increase last year of 1.3 million bu.

Wheat was rather weak, and the July future made a new low on the crop, but pressure was not particularly heavy, and May wheat seemed to gain on the other months. The Searle report on Canadian moisture for the week showed a weighted condition of 107% of normal compared with 108% last week, and 91% last year. This, in spite of somewhat deficient moisture since last April. However, subsoil condition had been excellent. Soybeans were strong, and the country is selling very sparingly. We understand that within the next three or four days the government will release a new hybrid seed variety that will yield better under certain soil conditions. Another advantage is that processors will get from 40 to 50 pounds more oil per ton from this newly developed seed. Apparently the experiments have been going on for about eleven years. July corn lost ground on the September, and we find that in Chicago practically all of the receipts comprise CCC holdings. Flour sales were a little better, but there was no evidence of wide-spread bookings. Those who might be inclined to make purchases are a little hesitant, apparently awaiting the heavier movement of red winter wheat to see what effect it will have on the price level.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 June 30, 1952.

Today marks the end of another crop year, and one during which this country will probably have exported 460 million bu of wheat and flour. The final figure will not be known for a few weeks yet, but if we are correct, these shipments will only have been exceeded twice before in history: namely, 1947, when we shipped 490 million bu, and in 1948 when our exports amounted to 506 million bu. Undoubtedly the large subsidy was a factor in these transactions, plus the smaller crops raised in Southern Hemisphere.

At the moment statistics are not particularly bullish, even with the poor crop outlook in the spring wheat areas. The one state of Kansas probably will raise 300 million bu of wheat, or more, which would be a record for all time, and this would be more than the combined production of Argentina and Australia -- two of our greatest competitors in normal times. Looking at it in another way, 300 million bu may be nearly as much as we shall export during the coming season, and Kansas alone may raise 40 to 50% more than the entire spring wheat production, including the Pacific Northwest.

Apparently our supply situation is bearish, but we have observed that in the last 13 years prices averaged the lowest in June, July, or August. This was at a time when pressure was generally heaviest, but because of theloan and the fact that the farmer did not have to market all his grain, we often had highest prices in March or later months. We shall not debate at this time the merits or demerits of the loan, nor express an opinion as to the possible inflationary effects upon our economy, but in tabulating the following figures, we think it is quite evident that whether our domestic supply was a little larger or smaller, or whether the amounts pledged under the loan were big or small, the advance since 1938 have been constant, and as loan rates advanced the average price to growers kept pace almost to the same extent. In fact, in some years market prices were even in excess of the gross loan rate. The following figures have been taken from official sources:

	Total domestic supply	Pledged under C.C.C. loan	Gross Loan Rate	Average price to growers.
1938	1,073 million bu	85.7	.59¢	.56¢
1939	991	167.7	.61	.69
1940	1,094	278.5	.64	.67
1941	1,327	366.3	.98	.94
1942	1,600	408.1	$1.14	$1.09
1943	1,463	130.2	1.23	1.35
1944	1,377	180.4	1.35	1.41
1945	1,387	59.7	1.38	1.49
1946	1,252	22.0	1.49	1.90
1947	1,443	31.2	1.83	2.29
1948	1,491	254.0	2.00	1.99
1949	1,405	335.3	1.95	1.88
1950	1,444	188.6	1.99	2.00
1951	1,383	198.8	2.18	2.11
1952	1,576 (est.)	?	?	?

When the visible supply of wheat was posted there was an increase of 27 million bu. Total stocks of 128.6 million bu are still 18.3 million bu smaller than last year. Corn decreased 1 million bu in all positions, and oats increased 1.3 million bu, due largely to imports from Canada. Chicago stocks declined for all grains except oats, which increased 882,000.

There were some fine rains in North Dakota and Canada, with an unsettled weather map, so that these are at least helpful, although they have come too late for material benefit in our Northwest. Labor difficulty at Kansas City idled most workers at the elevators. Receipts there were very heavy, but mills did a big business, and were good buyers. Corn was strong on the expectation that 4 cargoes would be sold to Austria tomorrow, also some buying in sympathy with oats. The trade felt that high temperatures had caused injury to the oat crop. There will probably be heavy tenders of corn and oats on July contracts, but this has not had much influence on the market.. All wheat futures sold at seasonal lows.

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CHICAGO, 4 July 1, 1952

PMA announced prices covering the 1952 wheat loan program, setting a national average of $2.20 a bu to farmers for their wheat. This compared with last year's average of $2.18 per bu. In view of the fact that parity prices were unchanged from the previous month , there was no surprise in these figures, but the fact that the differentials between markets were changed caused some concern, particularly as freight rates have gone up, and the discounts of wheat at Minneapolis and Kansas City should really have been widened instead of narrowed. As matters now stand, the loan rate for wheat in Chicago is $2.53 per bu; this same rate applies to most of the central markets, such as St. Louis, Memphis, Milwaukee, etc. The Missouri River markets, including Kansas City, Omaha, St. Joseph, etc., have been fixed at $2.49, while in the Northwest the loan is $2.52 per bu for Minneapolis, Duluth, St. Paul and Superior. Loans at the Gulf are $2.63.

As we pointed out yesterday, there is a limit as to how far wheat can sell under the loan, and apparently others must reason the same as we do because milling demand improved considerably overnight, and there was a fair commercial business in the pit, so that our market was fairly strong this morning and gained further impetus during the first hour.

Crop prospects in the Northwest are said to have improved considerably the past week, particularly for the late crops. Just how much good the rains have done is rather difficult to determine, but at least further deterioration has probably been checked. Summer fallow fields probably have improved considerably in the filling of heads. Not much attention is being paid to spring wheat production, as a variance of 25 to 50 million bu would not be an important factor when the returns from the Southwest harvest have been so favorable. As we start a new crop season today, it seems likely that the wheat carryover from the previous season amounts to about 250 million bu. The government estimates total supplies for the 1952-53 crop-year at about 1,606 million bu, but this may have to be altered as the June estimate for spring wheat was probably higher than will finally be realized, although there may be offsets in the way of increased yields in the winter wheat states.

During the coming season our domestic consumption will probably amount to 735 million bu compared with 715 million bu last season, feed uses may be expanded to about 140 million bu, which is somewhat larger than in 1951-52, about 88 million bu will probably be used for seed, and probably 2 million bu for alcohol. If the above projection is correct, it would leave about 870 million bu for export and carryover. First estimates of what we are apt to ship during the next twelve months is a figure of 375 million bu. This, too, is subject to revision, depending on the outcome of European crops, and what Canada has to offer. However, should we reach that goal, it would give us a carryover reserve one year hence of about 500 million bu. We rather suspect that the spring wheat crop of 266 million bu will be cut rather sharply when the BAE figures are given to the trade later this month. The average spring wheat crop in the period 1941-1950 was 285 million bu. However, the early drought this season which centered in North Dakota, the heart of the spring wheat belt, and which extended into northwest Minnesota, northcentral South Dakota, and eastern Montana, probably took a heavy toll that even the late rains could not overcome.

Primary receipts of wheat were large and amounted to 5.2 million bu compared with nearly 5 million bu last week, and nearly 2 million bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of about 2 million bu.

Trade was fairly large, and there was a big flour business overnight, which brought buying into the futures market. In addition to this, there was also a better speculative demand, probably for the reason that present prices are so far under the loan. There was not as much pressure on the market as had been expected, and we believe that the holding tendency will be tremendous, unless prices advance further. Austria bought 3 or 4 cargoes of corn, and this gave us higher prices for that cereal.

While the government weekly crop report was generally favorable for the important grain belt, some private reports spoke of possible damage to oats, with light test weight possible, due to high temperatures which had been prevalent during the latter part of June.

July beans went contrary to the trend and sold at lower prices in response to profit-taking.

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CHICAGO, 4 July 2, 1952

There was not a great deal of grain news overnight, except that the Chicago elevators apparently did not buy much cash wheat despite the fact that bids to the country were higher. Some people believe that this is the period just between southern harvest and the area from which Chicago normally draws its receipts, but irrespective of the reason the purchases were light. On the other hand, mill buying was quite noticeable, and two of the largest concerns were rather busy when our market opened covering hedges. From what we hear the same must have been true also in other markets.

There were some additional good rains in the Northwest, with about 1 inch at Fargo, nearly 2 inches at Grand Forks, and more than 1/2 inch at Bismarck. One of our good friends is of the opinion that North Dakota now has a chance of threshing 7 to 10 bu per acre, depending on further developments during the next week or ten days. He figures that the spring wheat crop may finally yield 220 to 240 million bu, which would be somewhat better than had been expected a week or so ago when dry conditions prevailed.

We have pointed out often in these letters that a moderate reduction inthe Northwest will not alter our supply position very radically, owing to the fact that a winter wheat crop of 1,060 million bu is so big that it is the dominant factor. A crop of that size would be one-third larger than the 1941-50 average of 800 million bu. The yield per harvested acre is estimated at 20.8 bu, which compares with 16.2 in 1951, and an average of only 17.7 bu per acre. However, there were other reasons for the big winter wheat crop this year, because in addition to higher yields, we had about 51 million acres remaining for harvest compared with less than 40 million last season. Abandonment had been very small amounting to only 5.2 million acres compared with 16 million acres for the 1951 crop. When all is said and done the supply and demand situation is still out-weighed by the amount of grain that goes into the loan, and is finally held by the Commodity Credit Corporation. In other words, it is the available supply rather than the actual supply that makes the price. Of the 250 million bu of wheat carried over from the previous crops, it is estimated that 150 million bu is probably owned by the government. Thus, we had a very tight situation when the May future expired some weeks ago, when a premium of about 14¢ per bu was paid for the old-crop delivery as compared with the new. A gradual adjustment has naturally occurred in view of the tremendous yields in the Southwest, and as a matter of fact from May 8th to June 23rd prices declined about 30¢ per bu at Kansas City, 25¢ at St. Louis, 13¢ at Portland, and 5¢ at Minneapolis. The price of spring wheat remained relatively strong because of the reduced spring wheat prospects in addition to the fact that the Northwest crop is harvested later than winter wheat. We are basing our market calculations mostly on the large quantities that will be impounded during the coming season. The BAE expects that a new high record will be established with the amount of the loan substantially exceeding the all-time record of 408 million bu in 1942.

Primary receipts of wheat amounted to 4 3/4 million bu which compared with 3.7 million bu last week, and a holiday last year. Kansas City and Minneapolis stocks so far this week show a total increase of 2 3/4 million bu.

Markets were less active than yesterday, although at the start there was a fair trade, with mills covering futures against flour business; later as the market advanc edThe Southwestern Miller told us that business had declined abruptly. There was nothing of importance reported in export circles, and apparently even with the subsidy it is taking some time for foreign trade to expand. Broomhall's Foreign Crop Summary told of hot weather through much of the European Continent, and in some sections it is feared that corn crops may be damaged. Rains would now be beneficial in some of the later areas, as the recent heat has forced development of wheat, and other maturing crops.

Here at home we had very optimistic reports on corn; the Northwestern Railroad estimated the crop at 3 1/2 billion bu as a definite possibility. However, they thought it would take more than the usual amount of rain at the right time to give us maximum results. High temperatures persist in some areas, which is not good for oats, but we have not heard anything to definitely establish the amount of damage that may have been sustained. There were some good rains in the Texas Panhandle, beneficial for milo. July beans were strong on reports that two cargoes were sold at the Gulf for export.

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CHICAGO, 4 July 7, 1952.

There was not a great deal of grain news over the 4th of July holiday, although late yesterday rains started to fall over many sections of Iowa, Nebraska and in some places as much as one inch of precipitation occurred. Temperatures are also moderating and cooler weather has set in over the Dakotas, with some moisture in that region also. The news relating to corn is extremely optimistic and we are getting glowing reports from downstate Illinois, although the high temperatures during the past two weeks have undoubtedly brought some injury to oats, and thus the prospects for that cereal are not nearly as good with the possibility that the test weight has been reduced which likewise will affect the yield. One observer tells us that never in his life has he seen corn growing so rapidly, and apparently the recent weather has been made to order.

Chicago receipts of wheat are beginning to pick up, and while the offerings were fairly heavy, there was no appreciable amount of pressure on the market; in Kansas City, where prices had been depressed on Saturday, there was a little reaction, all of which would indicate to us that very large quantities are probably going to be impounded or at least withheld from the market so long as prices remain this far under loan levels.

We continue to receive satisfactory reports fromCanada. There were fair rains in Alberta, southern Saskatchewan and Manitoba, and while the Dominion reports do not give figures on probable yields early in the season, many of our friends believe that the final harvest figures will be extremely favorable. With some revisions, it looks as though the total wheat exports from the United States will be about 460 million bu. During the last week of the season, 6 million bu wheat and flour were shipped and this about winds up a year during which high subsidies again played an important part. Other grains were not in demand to the same extent, for example, corn exports have only amounted to 61 million bu since October 1st, which compares with 95 million bu a year ago. During the same period, we exported 13 million bu beans, less than half of what was exported a year earlier. Barley shipments were 27 3/4 million bu since July 1st compared with 35 1/2 million bu in 1951, and the total oat shipments only 1 3/4 million bu compared with 3 1/2 million the year before. Thus, it is quite obvious that, even with short crops in the southern hemisphere and big demand from Europe, our wheat exports might have been decidedly lower except for the subsidy that was paid in making this business possible. Canadian oats continue to come to this country; a cargo carrying 560,000 bu sailed from Fort William to Chicago, and this more than the domestic movement seems to influence terminal market prices.

When the visible supply of wheat was posted there was another large increase of 26 1/4 million bu. Accumulations such as this are only possible when the crop is as big as the one just harvested. Nevertheless, pressure has not been severe as we have pointed out so often this is very likely due to the high loan prices in relation to the market. Today's primary receipts of wheat were over 11 million bu,- indicating quite clearly that the crop must have been fully as big as had been estimated. Total wheat supplies in all positions are 155 million bu, and for the first time in a long while we have more wheat on hand than the previous season, the amount being about 4 1/2 million bu greater. The corn visible declined nearly 2 million bu, leaving stocks in the various markets of 28 1/2 million bu compared with 39 million last year. Oats showed a fairly good increase of 1 1/2 million bu, this being due largely to imports. Stocks in terminals amount to 16.8 million against 14.4 million last season. Chicago stocks of wheat increased 481,000 bu totaling nearly 2 million bu. Local corn stocks decreased to 9 3/4 million bu. There was a slight increase in oat stocks, with 10 million bu being held here. Rye showed very little change, but beans declined 262,000 bu, leaving only 708,000 in this market.

We had some weakness in the early trade, but later when Kansas City futures advanced there was a sympathetic move here. There seems to be some buying on the theory that later on the heavy impoundings will create an artificial situation. At the same time export business is rather slow to develop, and mills seem disappointed over the amount of flour which is wanted, although a fairly good volume was put through early last week. Even with the heavy receipts in the Southwest there was a noticeable lack of selling in the pit; in fact, we saw some buying orders, which is rather surprising this early in the season, unless hedges are being covered against export sales. Corn was quite firm, while beans and rye were very strong.

The rye market, of course, is responding to the small crop and light offerings.

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CHICAGO, 4 July 8, 1952.

General MacArthur's speech last night may be branded by some as having been political, yet most impartial listeners admitted that it appealed to reason rather than to emotions. His indictment of many of our policies is at least a warning, frightening though it may be, that by undue centralization and imposition of political power, we may be turning back the pages of history, and gradually closing the door to free, private, and competitive enterprise. The General minced no words in saying that, "By the imposition of oppressive and arbitrary controls upon business and production; by exhaustive taxation which withers initiative, reduces energy and, in the end, destroys the spirit of enterprise; by spendthrift policies which stagger the imagination; by discouraging adherence to the principle of private ownership of property, they have established the prerequisites to a socialistic or even later a communistic state."

When our market opened this morning prices were fairly steady. There had been rather heavy rains throughout the corn belt, and while these were very beneficial for corn, they may delay harvesting of wheat for a few days. To that extent pressure on markets may be lighter for the time being. There was also some fine moisture over the Texas Panhandle, which should be good for the milo crop. There had been many districts where drought had been regarded as serious.

Scattered commission house buying has been in evidence now for several days, which may be the beginning of accumulation by traders who feel that finally artificial factors will become paramount, and that we may have a tight position in wheat before the season ends. This, of course, would be due to heavy impoundings, which would lessen the available supply unless the price should advance to a point where either less grain goes into the loan, or finally redemptions may occur. As has been pointed out on many occasions, on June 23rd #2 winter wheat at Kansas City was 32¢ below the loan rate for the 1952 crop. It is not surprising, therefore, that the BAE should predict that the quantity which may be placed under the loan this year will be the largest since 1938, when the program was begun.

Weather in Canadawas characterized as being perfect for the best development of the crops. We had a letter from one of our friends in Winnipeg stating that there was hardly an area in western Canada that lacked moisture. As a matter of fact, almost all sections of the country could go along for ten to twelve days without additional moisture --only a few spots that urgently require precipitation at this time. There is a small area in southwestern Manitoba which missed the early rain, although even there they had fair moisture during the past few days, although it will require more to make a crop. The Saskatchewan Pool shows a condition of 157% for wheat, which is 7 or 8 points better than at this time last year. The optimistic note is that crops are easily 10 to 12 days earlier than a year ago; thus, there is every expectation of avoiding the calamities which occurred in 1951 when so much of the crop not only of wheat, but also oats and barley, could not be harvested until the following spring.

Primary receipts of wheat today were quite heavy, and amounted to 7 1/2 million bu compared with 5 1/4 million bu last week, and 2.8 million bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1.6 million bu.

There is not much news coming from the Northwest, except that the past week probably showed some improvement. However, there are still some sections of the spring wheat areas where rain will be needed at filling time. The winter wheat harvest has already started in the Billings territory, with yields averaging 20 bu per acre. It looks very much as though Galvin's report on spring production was about in line, although with a break in weather there may be a little improvement from this time onward.

Our wheat market was up mainly on lack of pressure, although there may be heavier receipts here in Chicago after fields dry out and harvesting in the immediate territory becomes possible. Flour business remains at moderate volume, little interest is shown since the big business which took place last week, and possibly a decline of a few cents per bu might bring in more business. Elevators in the Southwest are filling up, and in about ten days or two weeks there will be very little vacant space at Kansas City. Corn was somewhat higher, but there seems to be no real urgency to buy. Crop prospects remain excellent, but receipts are anything but burdensome, and apparently CCC pressure has slackened, although this may change after the first of August. A cargo of hard wheat was reported sold to Holland, but business generally is rather disappointing.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

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141 W. JACKSON BLVD.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

July 9, 1952

This is the month of the two great political conventions in Chicago, and during that period fiscal policies of the government will be condemned and upheld depending on the speaker. The fact of the matter is that about 37 million persons now receive checks from federal, state, and local governments. This list includes government workers, recipients of public assistance, as well as social security programs. It also takes into account unemployment insurance, government pensioners, veterans, farmers under agricultural benefits and subsidies programs, not to speak of the armed forces, where the outlay naturally is large. Federal, state, and local governments sponsor about 300 welfare plans, and the expenditures for these projects aggregate about $23 billion annually, and account for more than one-third of all government tax dollars. As our Bureaus grow in size, it becomes increasingly difficult to reduce the manpower needed to carry on activities. The federal government is the nation's largest landholder, with about one-fourth of the total land area of the country federally held. This alone is supervised by some 60 Federal agencies with varying policies and practices. Apparently we are still acquiring many more millions of acres. In 1949 federal land holdings aggregated 455 million acres, or the equivalent of over 10 acres for every household in the United States. This vast area comprises 711,000 square miles, or equal to the combined land areas of Belgium, Denmark, France, prewar Germany, Holland, Norway and Sweden. On some other occasion, when space permits, we shall enumerate some of the other projects into which our government has plunged, including the banking field, as our government at the present time is the world's largest in that respect.

Our market opened on a rather firm basis; whether the rains have had something to do with offerings to Chicago remains to be seen, but in any case, there is no burdensome hedging problem, and it appears to be taking time for Chicago to build up a stock of wheat. On the other hand, export business is slow to develop, and Holland seems to be about the only country that seems interested in buying for the moment. European demand is also disappointing for Canadian grain, crop prospects up there are excellent, and interest in the Winnipeg market is limited. There has been rather hot weather reported over the European continent which has adversely affected feed grains, although no serious complaints have been registered in wheat.

According to Broomhall, some of the recent predictions are for higher yields than were previously calculated. While France experienced some scorching heat and winds, rains were also beneficial in some sections. Oats probably suffered some damage. A private estimate places the French wheat crop at 295 million bu, which compares with the official figure of 280 million bu, and a final harvest last year of 259 million bu. High temperatures were also reported in Italy, which affected corn and oats, so that rain at this time is urgently needed; prior to the hot spell the outlook was considered quite promising. An official wheat estimate of 266.4 million bu is a little larger than last year. Oats keep coming in from Canada, and a steamer carrying 434,000 bu sailed recently from Fort William, and will unload here in Chicago. There was nothing in the overnight weather news, but hardly any rains occurred, and generally speaking high temperatures are in prospect.

Primary receipts of wheat today total 5,274,000 bu vs 4,765,000 bu a week ago, and2,075,000 bu on comparable day of last year. So far this week Minneapolis and Kansas City wheat stocks show a total increase of 3,598,000 bu.

There was no special news in the market today. Wheat had a firm undertone due to a lack of pressure, although the flour business was relatively inactive and export demand for wheat is rather quiet. Receipts in Chicago are not at all cumbersome with a better demand at the Gulf where hard wheat is being offered at New Orleans at 13 over Kansas City September FOB vessel, which is approximately 9 over Chicago September.

All crop news from the corn belt continues to be extremely favorable with splendid weather conditions for the development of the plant.

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DAILY MARKET LETTER

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CHICAGO, 4 July 10, 1952.

There was no special grain news overnight. A few showers had occurred over the spring wheat districts, also over southern Manitoba, while some rain is expected in the Texas Panhandle, but mostly in the northern plains area, but in any event the latter should be beneficial to milo, as many districts out there have been extremely dry.

We have been studying in a rather cursory way the proposed Republican National Platform, with respect to agriculture. It is claimed on the premise that a prosperous agriculture, with free and independent farmers is fundamental to the national interest. The Brannan Plan is condemned on the grounds that it aims to control the farmer and to socialize agriculture. The platform condemned as a fraud on both farmer and consumer, the Brannan Plan scheme, which it was stated, paid direct subsidies from the federal treasury in lieu of prices to producers On the other hand, the framers favored a program aimed at full parity prices for all farm products in the market place. Also favored were commodity loans on non-perishable products with support to be furnished at a level necessary to maintain a balanced production.

We presume that if prices are to be held high domestically that an export subsidy will continue to be a feature either under the IWA program or handled in some other way to encourage exports of wheat and flour rather than to build up burdensome surpluses at home in the event that we have a continuation of large crops. As we have mentioned several times in these letters, our exports of 460 million bu during the past season would probably never have been possible, even with the short crops in Southern Hemisphere, and the late harvesting operations in Canada, had therenot been some incentive to foreign buyers to take our grain on a lower cost basis than was being maintained domestically.

The platform favors a bi-partisan federal agricultural commission with power to review the policies and administration of our farm programs, and to make recommendations. There are a number of other features such as expanding agricultural research, and education to promote new crops and uses, as well as new markets, both foreign and domestic.

There was not much trade today; export business is still slow in developing, and for the first week of the new crop year our shipments of wheat and flour have been only 2 1/2 million bu compared with 5.6 million bu last season. European production of wheat, according to Broomhall, promises yields nearly 100 million bu in excess of the 1951 season. France will probably raise about 35 million more than she did a year ago, little change is expected in western Germany, the U.K. will have a somewhat larger crop, and an increase of 30 million bu is looked for in the Danubian countries. The total wheat production for all European countries looks to be about 1,588 million compared with 1,488 million bu a year ago. The present heat wave will surely damage oats and corn, also the late root crops, but it is generally assumed that wheat is too far advanced in Italy and France to be much reduced in volume at this late date. Crop prospects throughout the Prairie Provinces of Canada are good to excellent, according to a Dominion report. Recent rains have improved the outlook in those areas that had previously been threatened with drought. However, further rain is needed for thick stands of grain.

Primary receipts of wheat amounted to 6.4 million bu today; this compared with a little over 6 million bu last week, and only 2.4 million last year. Kansas City and Minneapolis stocks so far this week show a total increase of 4.8 million bu.

Wheat was rather firm for a time, due again to lack of pressure. The fact that Austria bought three cargoes of corn of which two came from the Gulf and one from the Atlantic, had a rather stimulating influence on corn futures. The milo market was very strong, an advance of 5¢ per hundred having been registered. In wheat, there is a waiting tendency, with the government report due after the close today; while the winter wheat production is expected to show a good increase over last month, it is generally figured that with southwest receipts dropping off that we shall not have any very sharp declines anywhere along the line unless later on storage becomes a problem. In Kansas City, the Executive Vice President of the Exchange, has demonstrated quite conclusively that 80% of the stocks in elevators consist of grain held on storage for other parties, so that only about 20% is owned by companies operating the elevators.

Milling demand showed a little improvement, but mostly for cake flour sold to bakers. Dullness in spring varieties is rather marked. July soybeans were firm, and with the country not selling in any quantity, processors are having some difficulty in getting supplies

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CHICAGO, 4 July 11, 1952.

The government report which was issued after the close of the market yesterday, reflects the second largest total farm production in this country, topped only in the year 1948. The wheat crop was forecast as approximately 1,249 million bu, of which 1,048 million bu is winter wheat. The brightest spot was a production of over 300 million bu in the state of Kansas, which would be the largest crop on record for that state. Oklahoma is scheduled to produce about 109 million bu, or around 19 million bu more than a year ago. However, in spring wheat, the forecast now suggests a crop of about 200 million bu, which came somewhat as a surprise, as in several quarters it had been anticipated that the crop would have shown better recuperative power from the punishment received earlier from adverse weather conditions. Naturally, we have to deal with the government figures, as that agency has the most proficient organization for gathering crop news. There are some who feel that the spring wheat crop, with proper weather from now on, may be somewhat underestimated. One rather reliable observer stated that they had figured spring wheat was down to 200 million bu when the rains came at the first of the month; the crop then was thin and short, but not burnt, with fillers still alive, and with moisture should grow and double the stand. This one party feels that possibly 1 to 2 bu per acre has been added since the moisture. Should the government figures materialize, it would be the smallest spring wheat crop since 1939. The official figures show a total of 138 million bu of spring wheat, other than Durum for the four northwestern states: namely, North Dakota, South Dakota, Minnesota and Montana. This in turn would compare with 253 million bu in 1951, 199 million bu in 1950, and approximately 200 million bu for the ten-year average of 1940-49.

The corn crop is estimated at 3,365 million bu, which fully substantiates the fine weather during the present growing season, and in analyzing the state figures it shows a generally favorable condition in all areas. The government's goal was for a production of 3,375 million bu on 89 million acres, and while the acreage was reduced it shows how provident Nature has been.

Report on soybeans was only on acreage and not on production. It shows an estimated acreage of 13,906,000 acres, or approximately 700,000 acres more than last year. The acreage in Illinois, Iowa, Indiana, and surrounding territories is somewhat smaller than a year ago, but larger in Missouri and in the more southern states. The acreage figures are very encouraging for production, but the disappearance of beans from farms from April 1st to July 1st of 53.8 million bu was far above the previous record for such a quarter of 43.5 million in 1949. In looking at beans in all positions, farm stocks on July 1st were down by 4 million bu from the year before, the visible on July 1st was down by 400,000 bu, and the processing plants on May 31st had approximately 14 million bu less than last year, while the interior mills and elevators in the April 1st report showed about 2 million bu more than the previous year. So totally there is considerably less beans in all positions than at similar time in 1951.

Canada has been more favored by weather conditions during this season than our own Northwest. According to a letter which we received this morning, the wheat crop continues to make wonderful progress, and there should be an outstandingly good crop. The Saskatchewan Pool crop indicated a percentage figure of 160% for that area, which is up 3 points from the previous week, and is probably the highest percentage figure for this time of the year ever registered. In 1942, when Saskatchewan had one of its biggest crops, the percentage, as of July 4th that year, was somewhere around 155%. There is some fear that rust damage may be encountered later on, but it is difficult to be concerned with that situation, as it has not shown up at the present time.

Primary receipts of wheat today totaled 6,055,000 bu, last week was a holiday, but these figures compare with 1,957,000 bu a year ago. So far this week Kansas City and Minneapolis stocks show an increase of 6,174,000 bu. When the visible supply is posted on Monday it will compare with an increase last year of 5,747,000 bu.

Flour business was again light, and only one cargo of wheat was reported sold from the Atlantic, but actually it was done a few days ago; it was #1 soft wheat in exchange for some Swedish spring wheat to Germany. Markets were practically at a standstill during the casing of ballots for a Republican nominee for President. Price changes in the grain markets were rather unimpressive, although early strength gave way to weakness near the close.

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CHICAGO, 4 July 14, 1952.

Much attention will be paid the next four months until election time as to the thoughts that will be expounded by both major parties with reference to the economic situation in this country. Our economy has been predicated for so many years on deficit spending and gradually increasing taxes that we have now reached a point at which very little can be expected from increases in taxes unless we resort to a sales tax, which seems to have very little political favor. Unless people can feel secure in their ability to retain the fruits of their labor, there is little incentive to save and expand the fund of capital, which has in the past led to large productivity in this country and the raising of our standard of living. The miracle of production which we have shown, both in the past war and at the present time, is dependent upon the observance of property rights.

Political attention has always been called to the large corporation. However, the real ownership of property is in the hands of practically all economic classes, and in no other place in the world are property rights so great and so widely distributed. There are over 4 million businesses in this country, of which 90% is classified as "small business" by the Department of Commerce, and accounted for 45% of the total employment of all business enterprises. There are nearly 4 million farm owners with land and buildings valued at about $55 billion. According to a survey of the Brookings Institute of Washington, there are approximately 6 1/2 million individual shareholders of investor-owned corporations. This figure excludes somewhere around 3 million persons owning shares in private companies, with less than 100 shareholders, and which stocks arenot traded on any exchange. There are 75 American companies, each having over 50,000 registered stockholders. The Bell Telephone Company's annual report of 1951 showed somewhat over a million shareholders, with no individual owner holding as much as one-twentieth of 1% of the total stock. In the Brookings' survey of the shareholders 32% are listed as having family incomes of under $5,000 annually, 44% have incomes of $5,000 to $10,000, and only 24% have annual incomes of over $10,000.

The weekend weather showed light to heavy rainfall over the Northwest with moderate moisture in the Dakotas and heavy in Minnestoa. Most of the corn belt and a great part of the Southwest also experienced heavy moisture.

Despite the fact that carlot receipts in Chicago were approximately 1,100 cars, a very substantial flour business was consummated over the weekend and the lifting of hedges imparted strength to our markets.

The Winnipeg Free Press on Thursday stated that a bumper prairie grain crop is in the making with a lush growth reported in most of the big acreage districts and that sunny weather with adequate rainfall within the next four weeks will witness a record or near-record production. According to some sources there is a little apprehension on rust but so far no real fear expressed.

Broomhall reports that recent rains in France have not revived the oat crop; however, wheat is in good condition and production may reach 295 million bu, which would be 35 million bu more than a year ago and 12 million more than the large crop of 1950. The same source also reports that the Minister of Agriculture of Buenos Aires stated that weather was mostly favorable in June with moisture ample and wheat seeding making good progress. That country has a long way to go to recover its position in agriculture due to adverse economic policies, and also adverse weather conditions, as the past season the wheat crop is estimated at 75 million bu vs 213 million the year before and about 189 million bu the ten-year average, 1940-50. Other grains have also suffered declines.

IWA reports sales of 1,233,000 bu, bringing the total to about 7 million bu for 1952-53. This, of course, is not a very propitious start for this country.

Primary receipts of wheat today totaled 9,285,000 bu vs 11,265,000 bu last week, and 2,276,000 bu last year. When the visible was posted wheat showed an increase of 32,568,000 bu, and now stands at 31 million bu larger than a year ago. Chicago wheat stocks increased 2,482,000 bu, oats 868,000 bu, while corn decreased 703,000 bu.

Even though wheat receipts in the Southwest are falling off, it does not mean that the crop has been fully digested, as an exceptionally large amount is still back in the country, with agreat deal of wheat lying on the ground, so that receipts may be drifting in for quite a long period. The continuance of the steel strike, preventing the movement of ore, is making available shipping tonnage to Canada for the carrying of grain to both American lake ports and the Canadian seaboard, and full advantage of this situation is being taken.

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CHICAGO, 4 July 15, 1952.

Much will bs heard during campaign time about our farm program and the attempt by both parties to win the vote and the favor of the agricultural communities. It seems to be impractical to feel that we can do away with subsidies and still guarantee full parity to the farmer. The whole question of price control is not new. In 1777, George Washington received a letter, which read in part as follows: "To fix the price of goods, especially provisions, in the market is as impractical as it is unreasonable. The whole persons concerned, buyers and sellers, will use every art to defeat it and will certainly succeed." Our more recent experiences should prove conclusively that controls do not work any better today than they did then. The Agricultural Department has had a gigantic task in administering the laws as they appear on the books, and we surely have nothing but praise for the way same have been administered, but what we do find fault with are the original concepts as embodied in the legislation. We have repeated time after time in our letters that we do not want to see any debacle take place in agriculture, but we do feel that support programs should be on basis of establishing floors and not ceilings. This has been recognized several times by those responsible for our legislation, but always through political expediency action has been reversed.

The Agricultural Law of 1948 provided for a flexible farm support price between 60 and 90% of parity; also, that same Act attempted to modernize the calculation of parity. Even the head of the American Farm Bureau, which is one of the largest farm organizations, felt that agriculture could not maintain the status of well being over a sustained period of time on the public subsidy. However, in 1949, a new agricultural bill was written, under which we are now operating. This Act raised the level of price supports some and postponed for a time the operation of the new way of calculating the parity index. This last Act is not economically sound and is unworkable in the long run except in a war economy. Another feature of our present farm program as dicated by law, and to which very little attention is paid, is the conservation payments made to farmers under the Production and Marketing Administration. This adventure was started in 1934, at which time we endeavored to teach sows birth control, and when we slaughtered 6 million pigs and thousands of sows. It was started as an emergency program but has been expanded and is being carried on. There are probably 3 million farmers drawing checks directly from the U.S. Treasury, which represents money he should be spending himself under what might be considered good practice in farming. If these payments are continued we must evolve a system of control which will permanently transfer from the individual farmer to a central planning agency many of the managerial decisions that traditionally have been made from the individual farms of America.

Light scattered showers are predicted for the Northwest and through many areas of the corn belt, with the exception of Iowa and Wisconsin. The Peavey crop report states that crop prospects in our Northwest in general made little improvement the past week, despite fairly ample moisture conditions, with rust and hail entering the picture. However, in other quarters some improvement is believe to have taken place. There is more attention being directed to rust damage in our Northwest, as well as in some areas in Canada. A Canadian report shows that there were showers in north central Alberta, which were expected to cover all of that province by afternoon, as well as Saskatchewan and western Manitoba. Temperatures have been running in a moderate range.

Primary receipts of wheat today totaled 6,355,000 bu vs 7,580,000 bu last week, and 1,950,000 bu comparable day of last year. So far this week Kansas City and Minneapolis stocks show a net increase of 785,000 bu.

According to The Southwestern Miller flour business fell off abruptly, with very little booked overnight. There was one cargo of wheat reported sold out of New Orleans where prices are running cheaper than at Texas ports. There was very little outside news to affect markets, but locals earlier were on the buying side due to some rust reports from the Northwest. According to the weekly government reports, corn in the major producing districts continue to make splendid progress.

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CHICAGO, 4 July 16, 1952.

Broomhall's Foreign Crop Summary states that weather has been very favorable for the crop of breadgrains, and harvesting has started earlier than customary in some of the countries. Combines are working in Southern Europe and first reports of yields are encouraging. Harvest is about ready in France and with continued favorable weather in the U. K. cutting there will be earlier than usual. According to early estimates, increases are to be expected in France and Italy, and provided there is no setback this year's outturn for Europe should be the best of any of the postwar years. In analyzing his figures the 1952 crop in the importing countties is expected to exceed the 1935-39 average. For the exporting countries, of which France and the Danubian countries are listed, the French crop will be pretty much in line with the 1935-39 average while the Danubian countries will lag behind, showing that those nations behind the "Iron Curtain" have not as yet fully recovered in their agricultural endeavors.

The Canadian Government report, which gave only condition, is interpreted as showing the possibility of a crop of 493 million bu wheat for the three western provinces. This would compare with Sanford Evans' report during July 1951 of about 433 million bu, and would be compared with last year's final production for the three provinces of 531 million bu, and for all of Canada 562 million bu. General showers occurred over all three provinces. Some apprehension is expressed over rust, but so far no real alarm. Rust variety seems to be of a rather new nature, although judging from temperatures is not conducive to the development of rust such as we have had to contend with in the past.

Weather conditions in our own Northwest have been scattered showers with more indicated. Developments in this territory are also being watched for the same rust variety that has appeared over the border. While not an accurate prediction, the Weather Bureau's 30-day forecast looks for temperatures averaging above seasonal over grain belts with the exception of more normal conditions in the northern plains and western Great Lakes regions. Rainfall is expected to exceed normal in the Great Lakes regions and north plains and frequent showers are predicted in west Texas, in which area rains will be beneficial for the sorghum crop.

The Department of Agriculture calls attention that more fertilizer was used on American farms, gardens, and lawns in the 1950-51 period than in any previous year of record. There was an increase of 14% over the previous year and almost three times as great as the annual consumption prior to World War II. The South Atlantic states are traditionally the largest consumers of fertilizer. More and more the farmers in this country are learning the use of fertilizer to increase the fertility of the soil.

The cold storage report of the U. S. Department of Agriculture shows very ample reserves. Beef stocks have doubled over a year ago, while pork reached another high for the end of June. Poultry holdings were reduced during the month but were about 50% greater than the year previous. Butter has shown a substantial gain, and stocks of frozen vegetables at the end of June had increased by twice the gain reported last year, and by twice the average gain for the month.

Primary receipts of wheat totaled 5,152,000 bu vs 5,274,000 bu a week ago, and 1,486,000 bu on comparable day of last year. So far this week wheat stocks at Minneapolis and Kansas City show a net increase of 1,657,000 bu.

According to The Southwestern Miller only a moderate amount of flour is being sold, and overnight business was small. The flour business which had been booked over the weekend was of tremendous volume, and probably the trade is now pretty well booked for the next few months. Activity in the export market remains extremely dull. However, Germany is due to buy before the weekend, and there is some interest expressed fromSwitzerland, but the inability to use M.S.A. funds for purchases under the IWA has proven at least a temporary difficulty. Meanwhile, movement of the new crop continues to exert some pressure. It is expected that rather substantial stocks of wheat will be built up at Chicago, with the possible resultant improvement in carrying charges. This, of course, is a handicap to be overcome by the bull and patience may have to be exercised for the immediate future.

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CHICAGO, 4 July 17, 1952.

The July survey of the Federal Reserve Bank of Chicago points out that cash receipts from farm marketings this year probably will be moderately larger than the $33 billion received by farmers in this country last year. Income from hogs due to low prices in the first quarter of the year is expected to decline, but marketings of cattle and calves will be larger than a year ago, although lower prices may reduce cash receipts slightly. Dairy products expected to be higher than last year and cash receipts from wheat, corn, and cotton will be higher due to increased output. Income from soybeans may not reach last year's level reflecting a large stock and lower prices for fats and oils. The USDA calls attention to the fact that that farmers received about $13.2 million frommarketings in the first half of 1952, which is 3% more than in the corresponding period a year ago. Volume of farm products sold in the first six months was 7% larger than a year ago, although prices averaged a little lower.

Some production goals for 1953 were announced by the Secretary of Agriculture, calling for 72 million acres wheat, which is approximately 8% below this present crop-year. However, with normal yields it is estimated that the goal would result in a crop of about 1,080 million bu, or 170 million below this year's estimated production. However, it is commented that this should meet all anticipated requirements, both domestic and export, and probably add some to reserves. The Agricultural Department is asking for a rye crop of 1,700,000 acres, which should produce about 5 million bu more than the estimated crop for this year.

Some confusion exists as to the interpretation of the use of the money which has been appropriated under the Mutual Security Agency Act, and as to whether these funds will be available to buy wheat under IWA. The bill has been signed by President Truman and is awaiting an interpretation from the Agricultural Department's legal office. An amendment to the bill precluded the use of MSA funds for buying wheat and flour below the market price, while under IWA, which commits the U.S. to provide 253 million bu wheat for export in the year starting August 1st. The price is well below the market price.

It was reported after the close of the market yesterday that Chile purchased 4 cargoes of American wheat for August-September shipment, and today bought two additional cargoes of which at least one cargo was from the Pacific Coast. Other export business may be in the making, including shipments to the Argentine. It is, however, reported that German buying has been postponed until next week.

With reference to the concern of rust in the spring wheat area, Mr. Donald G. Fletcher, Executive Secretary of the Rust Prevention Association of the U.S., has stated that stem rust on wheat has been found to be generally present with a light infection in eastern South Dakota, in Minnesota, as far north as Crookston, and in the southeastern quarter of North Dakota. It is believed that a considerable amount of the rust found on wheat was Race 15-B. So far the infection consists of single pustules on an average of 10% of the stems. It is not considered that this indicates that a severe stem rust epidemic necessarily will occur, but it is pointed out that a potential threat is present. If an epidemic should occur in north Minnesota and North Dakota it would probably swing up the Red River Valley into Manitoba and perhaps Saskatchewan.

Primary receipts of wheat today totalled 5,921,000 bu vs 6,462,000 bu a week ago and 2,848,000 bu on the comparable day of last year. So far this week, Kansas City and Minneapolis stocks of wheat show a net increase of 2,413,000 bu.

Flour business is in rather moderate proportion with the spring wheat mills probably booking a larger volume than those located through the Southwest. Trade today was a little more of a mixed character, but there was substantial buying by brokers with export connections. The movement in Chicago seems to have reached its peak, but in the Southwest farmers continue liquidating their grain. There is relatively good volume moving due to the inability to find space in the country or terminal elevators where they can retain possession. Trading in July futures will cease next Wednesday. Yesterday's deliveries of beans apparently went to processors and what has been delivered recently has been ordered out of the market.

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CHICAGO, 4 July 18, 1952.

There seems to be a little resumption of truce rumors coming from Korea since the negotiators met in a 41-minute parley after a four-day recession, and have agreed to another meeting for tomorrow. Of course, there have been so many apparently false rumors that it will take probably more evidence before the public places credence in the possibilities of an early truce.

More and more it is being demonstrated that fertilizer is playing a big part in the increased yields per acre. It has been illustrated that 25 lbs of nitrogen added to the soil, or as a spray, has increased winter wheat yields by an average of 10 bu per acre insome locations. While, of course, moisture is still the dominant factor in final yields, great supplemental benefits can be obtained by the proper use of fertilizer, and the lowest yields have come from areas where the soil has become deficient in organic matter and nitrogen. It promotes the vigorous root growth of grain crops, also increases the protein content.

The Dominion Bureau of Statistics in their July 15th release, has been interpreted by Sanford Evans as indicating a production of 493, 574, 000 bu wheat for the threePrairie Provinces, which would be compared with 531 million last year. However, all promises at the moment point to a very much better quality. He also interprets the oat crop as 243 million, barley 176 million, and rye 10.8 million. The Canadian National Railroad Crop Report says that increased warm weather with scattered night rains greatly improved growing conditions throughout most districts of the Prairie Provinces. Additional moisture would be welcome in southern portions of Manitoba and a few districts of Saskatchewan.

Broomhall points out that the Argentine production of wheat was officially estimated at about 75 million bu compared with 212 million a year ago, indicating that very substantial quantities must be imported prior to the next harvest at the end of this calendar year, as home consumption is conservatively placed at 125 million bu. The Argentine suffered from adverse weather conditions but the reduction in crops is also due to their economic program, and that country has now reached the point where a proverbial exporter will be in the import columns. In fact, it is reported that the Argentine within the past few days has bought about 200, 000 tons hard wheat, which was done on a barter basis in exchange for corn. The latter will undoubtedly be shipped to Europe.

In announcing production goals in this country for 1953, the total acreage, as mentioned in one of our former letters, is 72 million acres. Kansas is asked to sow 13, 750, 000 acres, with a total production of 177 milion bu. The acreage this year was approximately 15 million acres, with a yield of over 300 million bu. The acreage in Nebraska is requested to be cut by about 300, 000 acres, and in Oklahoma about 240, 000 acres. The acreage for Texas has been raised about 200, 000 acres.

Primary receipts of wheat today totaled 5, 311, 000 bu vs 6, 055, 000 bu a week ago, and 3, 141, 000 bu on comparable day of last year. So far this week Minneapolis and Kansas City wheat stocks show a net increase of 3, 148, 000 bu and when the visible is posted on Monday it will be compared to an increase a year ago of 5, 710, 000 bu.

One source has wired from Winnipeg that reports indicate rust conditions increasing in the Red River Valley and spreading westward with the weather the past few days favoring development of the infestation. The same source states that some fear of damage will be done to late sown wheat crops.

Outside of the Argentine sales, there was no further export business in wheat reported, and according to The Southwestern Miller, the mills sold only limited amount of flour overnight with interest having subsided to a marked degree. They figure that the majority of bakers are generously covered for the next 60 to 100 day period.

With the exception of July all futures of corn went into new low ground today. The Wabash Railroad's crop news speaks very optimistically of the corn crop. In Iowa, cultivation is progressing rapidly with 55% of the intended acreage laid by by June 28th compared with 4% at the same time last year. In Illinois they report that growth has been phenominal with some sections showing a growth shoulder high. In Indiana the crop looks excellent except in low areas which have been handicapped by rain. For Nebraska they state that seldom have stands and cultivation been better with growth far ahead of normal, most of the land already having had two cultivations.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, 4

July 21, 1952

The open interest in wheat generally increases at this season of the year, and comparisons in the past show pretty generallya similar relation between the amount of hedging and the size of a futures market. It is often said that speculation would not be possible unless there were a futures market. This, of course, is incorrect. Futures do have a special importance because of their use for hedging and speculation --that, however, is not a distinguishing characteristic. Speculation could be conducted without the aid of futures, and indeed, is often so conducted. However, hedging and speculation, but especially hedging, is greatly facilitated by the existence of a futures market. Futures trading in major crops has declined since the federal loan program went into effect because stocks held under the loan gave no occasion for hedging. Open commitments in futures markets during a year's period have tended to increase or decrease as commercial stocks increased or decreased during the year. Thus, when large crops have been raised the open interest has generally been larger than in years of small production.

Our marketsthis morning were rather steady, and wheat showed a better undertone, probably for the reason that not too much pressure is expected from the movement of spring wheat, as that crop is a poor one, although it may not show the small yield when the final figures are given by the government. Some of our friends are of the opinion that recent moisture may have added a bushel or two per acre to the crop. In any case a good portion of the wheat may find its way into the loan. Even before 1938 spring wheat farmers very often accepted storage tickets, and withheld their grain from the market during the early movement. With that in mind, and a lessening of the pressure in the Southwest some traders are beginning to take more interest in March and May wheat feeling that an artificial situation will develop ,ater on.

We are now coming to the end of July, and as of today conditions in Canada are close to perfect. Practically every area has sufficient moisture to take the crop along for at least a ten-day period, while a good many areas have sufficient moisture to carry it through to maturity. Barley and rye in most places are only a week or ten days from cutting, and this in spite of the fact that they have had an exceptionally cool summer, with only a few days when temperatures even got into the 80's. When that happens, even a spell of hot weather does not do too much damage. Probably the only fear now is that rust may take a certain toll from the crop, but according to recent figures given by Sanford Evans, the outlook seems extremely optimistic. We mention all this because last year even with a large crop in Canada, we found very little export competition during the early fall months, as adverse weather prevented normal harvesting procedure. Should the crop be well gathered it may mean heavy offerings to Europe at a time when native crops there will slow the demand for nearby shipment. The French crop is a very large one, and there is no reason to believe at this juncture that European requirements will exceed those of last season; in fact, takings might be somewhat less. Some offsets could occur because of Argentina's importations and shipments to Brazil, owing to the poor wheat crop in the Southern Hemisphere.

When the visible supply of wheat was posted there was a very large increase again amounting to 23 million bu, total stocks of 210 1/2 million bu are 48 1/2 million bu larger than last year. Corn showed a big decrease of 3 1/2 million bu, leaving 22 million bu in all positions, which is 13.3 million bu less than we had last year. Oat stocks increased 1.6 million bu to a total of 20 3/4 million bu compared with 14 million bu last season. Chicago wheat stocks increased 3 3/4 million bu, giving us a total stock of over 8 million bu; locally there was a decrease of 1 million bu in corn stocks, leaving 8 million bu in Chicago. Oats increased nearly 1 million bu due largely to imports, with 11.8 million bu here. Changes in rye and in beans were of no importance.

Our wheat market was very firm, and this had some influence on corn. The weather, however, is regarded as extremely good, but after declines such as we have had there seems to be a little more conservative sentiment, and no one is pressing the corn market on breaks. We believe that red wheat will continue to accumulate in Chicago, and with large stocks east of here carrying charges should widen, particularly from December to May, as we doubt whether the elevator people will carry grain without remuneration. Beans were rather firm, with some talk of further exports to Japan. The nearby delivery is near the ceiling level, and we understand that ceiling prices are being paid for cash beans in the country.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois

July 22, 1952

It may seem inopportune during a period of ample supplies of grain to talk of expanding production, yet with our population increasing, more animals on feed, and our population well employed, thereby eating larger quantities of meat, we must look ahead when we shall probably have periods of lower yields per acre because bumper crops are just as uncommon as is failure production. We have seen over the corn belt that acreage has diminished to take care of an ever-increasing sowing to soybeans. The total acreage of these two crops about equalled the level that the one crop did in years past. The answer to all this may be in the opening up of marginal lands which heretofore have not produced well but with better farming technique the hope is ever present that something can be done. Some soils chemically the same as the better ones are heavy and infertile, sticky when wet, brick-hard when dried by the sun. One of the comparatively new chemicals: namely, krilium, permits air to reach the roots of the plants so that they can better absorb nitrogen, phosphorus, and other foods. Krilium has no value in itself as plant food but still in some cases has increased crop yields by as much as 50%. At the present time it is probably too expensive to use commercially, costing about $2 a pound. Monsanto plans to produce about 500,000 pounds of this chemical for experiments in 1952 but by 1953 they will probably make commercially up to 30 million pounds. It is thought that for some stubborn soils it may even now pay its way, as one pound of krilium has the same effect as 100 to 1,000 pounds compost. Furthermore, krilium, unlike organic materials, apparently lasts indefinitely.

Our market opened this morning rather firm and apparently some business in wheat had been reported to Germany, at least one cargo in the early trade, via the gulf. Other reports were slow in coming in, but at least a few hedges were lifted. Corn was likewise higher and the recent break in the market has discouraged selling, probably for the reason that artificial factors may have the same effect in stemming the decline of that cereal as was the case in wheat, despite an enormous yield.

Light to moderate showers were quite general over the Canadian provinces, also over portions of Montana, North Dakota, and Minnesota, but fair weather prevailed in most other regions with high temperatures still the order of the day.

A few reports of stem rust were circulated and Broomhall claimed that southern Manitoba had been affected and that the disease was spreading into southeastern Saskatchewan. All this, however, had only a passing influence on markets. There is still a very distinct weakness in cash premiums Southwest, probably for the reason that track deliveries may become necessary owing to the fact that storage is well filled; therefore, a good many farmers may not be able to avail themselves of the loan. We note, however, that car-lot receipts in Kansas City were down to 364 cars compared with 574 last year, while at Enid, Wichita, and Salina the arrivals were quite light, and pressure has subsided, although with the enormous yields we expect some movement of grain all during the season.

Primary receipts of wheat were close to 5 million bu. This compared with 6.3 million bu last week and 4.6 million last year. Kansas City and Minneapolis stocksalso far this week show a total increase of 236,000 bu. There will probably be another large increase in the visible supply on Monday next butthe accumulations will taper off due to the fact that space is gradually filling up and in the Northwest smaller crops have been raised.

Despite the business to Germany, which comprised a total of 73,000 tons hard winters from the gulf and 45,000 tons Pacific Coast white wheat, our market did not hold too well and very likely the fact that we are coming closer to harvest in Canada is a factor as competition is bound to increase from ther e on froeign trade as the next few weeks pass by.

Flour business remained rather small and according to The Southwestern Miller there is almost a total absence of big business, while flour trade to Europe has dropped off to the smallest proportions.

There was a late forecastfor possibly some relief by late Wednesday night or Thursday with showers and lower temperatures. In beans there seemed to be a good deal of evening-up of commitments, shorts being able to cover to somewhat better advantage, although the July future is still unpredictable with only one day of trade before expiration. The same, of course, is true of all other July futures but less attention centers in them as there have been fairly good deliveries all around, and the open interest generally has been reduced, although there is still a fair amount of corn open but no great excitement is looked for as there are fair stocks in Chicago if anybody wishes to take delivery.

UHLMANN GRAIN CO.

DAILY MARKET LETTER
UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois. July 23, 1952.

At their meeting yesterday the Directors of the Chicago Board of Trade ordered year-round Saturday closings of the Exchange, effective August 2nd. There has been no action taken yet in Kansas City or Minneapolis, but their failure in the past to follow our action when we closed on Saturdays during the summer months stemmed from the fact that in Knsas City their greatest activity was during the first part of July, while in Minneapolis heaviest trade and the busiest season was early in September. Those outside markets felt that hedging facilities should be open to the public and to the farming community at a time when grain was moving in order to take care of post-harvest activity.

In the grain year just closed trading on all markets amounted to 12,795,000,000 bushels. This was an increase of 5.7% over the preceding year; however, in wheat the volume had actually declined 7.1%, and in rye there was a decrease of 26% from the year earlier, although corn showed an increase of 18%, oats 38.5%. Trade in soybeans was about the same as for the previous season. Wheat trading in Chicago during the past season was the smallest since 1946-47. This, despite the fact that we have raised very large crops, but as has been pointed out frequently in these letters the urge for protecting one's self against market fluctuations has been lessened owing to the loan and the relatively large quantities of wheat that have been impounded. At the present time our open interest is a little over 90 million bu. This, too, is not big in view of the fact that a bumper winter wheat crop was raised. The largest open interest ever recorded was 248.2 million bu on October 16, 1929, and again was over 200 million bu in July 1933, all of which indicates that the number of hedges being carried in the various markets of the country is comparatively small, although one must take into account that the open interest includes speculative, as well as hedging positions.

When our market opened this morning it was influenced by the overnight moisture, scattered showers having occurred in Iowa, while heavy rainfall was reported in the extreme northern sections of Illinois and northern Indiana. Considerable rainfall also occurred over portions of Kansas but spring wheat areas reported fair weather. Temperatures have fallen considerably and chances are that showers will occur over central and southern portions of the corn belt this afternoon and tonight, clearing by Thursday. This is regarded as helpful to the corn crop as some sections had claimed that rains might be needed within the next week or ten days.

Broomhall's Foreign Crop Summary was also very favorable for harvesting over much of the European Continent. Weather in France has been ideal for ripening of grains and for gathering of crops. Wheat yields are above earlier expectations, and according to Broomhall's correspondent a harvest of 300 million bu is possible. The early drought was a menace to the Italian corn crop, although rice is very promising. Wheat was harvested under ideal conditions, and there is a tendency to raise estimates. Western Germany confirms an increase in the wheat outturn but a decrease for rye.

Southwest receipts were somewhat lighter, which is only natural in view of the fact that storage has filled up so rapidly. In the Northwest we find 455 carlot receipts of wheat vs 196 last season and 356 cars at Duluth compared with 71 a year ago.

The wheat market was rather firm at the start although no fresh export business had been reported but with the failure crop in Argentina, production there being estimated at only 75 million bu, we presume that liberal imports may be needed as their domestic consumption is conservatively placed at about 125 millionbu.

Primary receipts of wheat were 3.8 million bu, which was somewhat smaller; this compared with over 5 million bu last week, and about 4 million bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of about 1 million bu.

Trade in wheat was not heavy, but the market was firm despite lower prices for corn. Beans were erratic, and this was to be expected as the open interest in the July future was 4 1/2 million bu before the session opened, and a good part of this had to be settled out in the pit, owing to the fact that Chicago stocks are not large. There were also some sales from this market for export, Japan having bought one or possibly two cargoes. Flour sales were rather poor, but some people believe after the July wheat future expires there may be a little better sentiment, as the threat of track deliveries has discouraged some buying.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.,
Chicago 4, Illinois

July 24, 1952.

Convention speeches stressing the great strides that have been made since the 1932 depression rightfully point to full employment, social progress, and high corporate earnings, but many of the speakers forget the great progress this country has made since the inception of the Republic. Throughout our history freedom has ever been the rallying cry in our struggle upward as a nation. It is our most precious heritage. So much has this ideal dominated our national life that America has become the symbol of freedom to liberty-loving people everywhere, This freedom was dearly won. Every step in our forward march has been marked by risk-taking. Our forefathers by overcoming starvation and the perils of the wilderness developed the capacity that enabled them to deal with stern reality, and through their energy, daring, and vision, they laid the foundation for the American system, which rests primarily upon personal initiative and individual freedom.

The last war cost this country about $400 billion and left a debt that was over $250 billion, or about $6,308 per family, as against $1,195 per family in 1939. Taxes of all kinds now absorb about one-third our national income. Despite the high level of corporate income, it has fallen far short of meeting the fresh capital requirements for plant expansion, new equipment, and the development of new processes. Such funds are generally referred to as "seed money." To use money siphoned off by taxes and distributed through government channels which is urgently needed for the development of our productive facilities is equivalent to eating the seed corn. Temporarily, of course, the economic outlook is upheld largely by rearmament and continued heavy spending. All told, more than $60 billion is being spent through various governmental channels. This is equivalent to 85% of total national income in the prewar year of 1939. A favorable climate must be maintained for free enterprise so that business can face the future with confidence and faith and thus be enabled to make the long-term commitments that will furnish jobs,--the only true source of security.

Our market this morning opened somewhat higher for corn but in wheat there is still the feeling that the cash market will have to show further improvement before we can really expect permanent strength. While the threat of track deliveries had kept a good many people out of the market, we may still have a situation in September where all the wheat in the country is not sufficiently well lodged, and as a result carrying charges are apt to widen further. As long as this is the case it is some handicap to bullish operations in that May wheat is selling at a very big premium over nearby positions. Despite this we feel that in the last analysis prices will finally have to advance to a point at which redemptions can take place. Impoundings are going on daily, but it may be some time yet before we have figures as the government is somewhat slow in making its calculations, and there is always a certain lag from the time the loan is taken until the report, going through the various channels, reaches Washington tabulators.

There was no rain of consequence in central and southern parts of the corn belt. Precipitation had been expected, but judging from the present map little is looked for, and thus there may be a little tension until further relief is experienced. The crop is not suffering yet but with the heavy stand it will probably require another good rain to insure best results.

Primary receipts of wheat amounted to 4.3 million bu compared with nearly 6 million bu last week, and 4.3 million bu last year. Kansas City and Minneapolis stocks so far this week show an increase of nearly 1 1/2 million bu.

Corn was strong right from the start, several cargoes were sold to Austria, and this occasioned considerable short covering, which finally spread to other pits. The corn-hog ratio for the week is 10.9 vs 10.6 last week, and11.5 last year. It was reported that Japan was inquiring for some more soybeans for last half September shipment. The meal market was strong, and this brought some buying into the nearby delivery, particularly after the great strength in the expiring July future of yesterday. Flour business was not particularly active, and new export business is slow in coming in. Total clearances since the first of July are only 10.6 million bu compared with 15 million bu a year ago. Apparently buyers are awaiting offerings from Canada, when the new crop may have more of an influence on the world trade. Harvesting is progressing to some extent in our Northwest, yields are not heavy, but less attention is being paid to rust, apparently harvest will be speedy enough to avoid any crop damage from that source. Oats were stronger, and the only real pressure seems to be continued imports from Canada.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois

July 25, 1952

During every political convention and campaign, not only is the opposing side maligned, but great promises are made as to what the successful party will do if elected. Promises are made to give everything to everyone. Security is promised to the worker, to the farmer, and to business. While the craving for security is a challenge that must be faced with sympathetic understanding, there should at the same time be a realistic appraisal of its impact upon our economy. Any program along this line must be kept within economic capacity and must not be carried so far that it cripples and paralyzes personal initiative and enterprise. If security is guaranteed on a broad basis, there is no longer any incentive to practice thrift, to safe for a rainy day, or to provide for the future welfare of one's children. Instead it becomes an open invitation for the indigent and shiftless to indulge either in loafing or in careless habits. In plotting our course for the future we should be mindful that the advance of civilization has been the record of man's struggle in overcoming the forces of nature by hard work, and constantly searching for better ways of doing things and not by leaning on government crutches.

When our market opened this morning prices were relatively firm. There had been no rain of consequence over the corn belt, and while a few light showers are expected in the northern sections of the belt, there is not much relief in sight, nor is the five-day forecast particularly optimistic for precipitation. There is no urgent need for immediate relief, although within a week or so there may be some complaints unless we get scattered showers, as the crop is pretty well advanced, the stands are heavy, and precipitation will undoubtedly be needed in view of the hot weather that has prevailed. Wheat was also a little higher, probably due to realization that the crop has been pretty well placed, a good deal h as already gone into the loan, and pressure on the market is gradually lessening. For that reason even with heavy carrying charges from September to May there seems to be some accumulation of the deferred months on the possibility that if sufficient quantities are impounded, it will finally take a relatively high price to bring about redemptions.

Southern Hemisphere acreages have shown a marked decrease due to inadequate prices that have been provided for the farmer. We have shown in previous letters how Argentina's acreage has diminished, and we point now to a reduction of nearly 3 1/2 million acres in Australia during the past five years as many producers do not find a great enough incentive to keep production high. A Committee recently appointed by the Commonwealth government found that it cost about $1.10 a bu to raise wheat, while the average return to the farmer was only $1.28 a bu, which was hardly enough to be sufficient reward for the risks involved.

Favorable crop progress is reported in Canada, with approximately 75% of the wheat headed out in the Prairies and crops generally are about two weeks earlier than last season. The height of wheat averages about 20 to 22 inches and oats nearly as much. Canadian wheat exports to all coun tries since last August have amounted to nearly 336 million bu, of which over 40 million bu was destined to the United States, or more than twice as much as the year before. Of course, what we import from that country must of necessity be used as feed or re-exported, as only about 800,000 bu is permitted for flour consumption.

Primary receipts of wheat are declining and amounted to 3.8 million bu compared with 5.3 million bu last week and 3.8 million last year. Kansas City and Minneapolis stocks so far this week show a total increase of 2 million bu. When the visible supply of wheat is posted on Monday, it will compare with an increase last year of nearly 11 million bu.

Trade was very quiet, more attention being paid to balloting than to grain. Commercial business was likewise light, and there was a further falling-off in flour sales. Best prices did not hold; in fact, there was some profit-taking, particularly after beans weakened, local selling having been a factor in that pit. There is still talk that Japan is interested in soybeans, but we did not hear of any business put through, and it may be that the purchases are for deferred shipment, possibly last half of September. Despite some buying of wheat futures, there was no aggressive support, and the market yielded ground due to lack of interest. There were also peace rumors, but this failed to stimulate much activity.

UHLMANN GRAIN CO.

[illegible]

[illegible] personal initiative and [illegible] basis, there is no longer any incentive [illegible] to provide for the future welfare [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

DAILY MARKET LETTER
UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois
July 28, 1952

Both of the political conventions have been held. A good deal of talking was done by both sides, but yet nobody has a firm conviction as to what the agricultural policies of either party will be. Chances are that not a great deal of change in the farm programs will be had under either Republican or Democratic rule. One thing seems to loom up rather prominently: namely, that the Brannan Plan would probably not be invoked, but as far as parity prices, parity loans, and high supports are concerned, these will undoubtedly continue. Under the circumstances we have to base our calculations on that premise.

The government has just stated that the carryover of wheat in all positions on July 1, 1952 was nearly 254 million bu. According to the last crop report, winter and spring wheat will yield 1,249 million bu. It is likely that there will be some revision upward owing to the fact that spring wheat looks to be higher than 200 million bu, but even on the assumption that there is no change, we shall have a total supply at the beginning of the crop-year of 1,503 million bu. This would compare with 1,383 million bu last year and only once before in history did we have a larger supply of wheat: namely, 1942, when there was 1,600 million bu on hand. Figuring that the impoundings will amount to 400 million bu, it still leaves about 1,100 million bu free wheat, less, of course, the quantities that are under government domination from previous crops.

Our export sales are rather slow in developing, although there is some hope that with the failure crop in Argentina not only will that country come to us for help, but we may also have to supply some of the other South American countries, which heretofore have received their supplies from the Argentine. This may finally give us the export goal sought by the government unless the weight of the Canadian crop is so great that their exports furnish heavy competition to us and reduce the quantities that we may ship. A domestic consumption of 725 million bu is possible, but that, too, will take time and until we make heavier inroads into the accumulations there is no certainty that sustained strength will be had, as there is bound to be some pressure from time to time, with elevator space filling up rapidly, particularly in the Southwest.

As for corn, stocks on farms amount to 978 million bu. This is a reduction of 278 million bu from the year before when we had 1,256 million bu. On the assumption that the same amount of corn is used from July 1st until end of the crop=year, we shall probably have a reserve next October of 460 million bu compared with 740 million bu last season. This is about in line with estimates. While the trade will undoubtedly compare it only with the previous year, we call attention to the fact that it is nearly twice as much as was in the reserve during many of the previous seasons, although a rather large quantity may be in government hands. Therefore, it will not exert as much pressure as if we had completely free markets.

The oat carryover of 281 million bu on July 1st is only 10 million less than a year ago. Supplies during the year were augmented by liberal imports from Canada, and chances are that the same will be true in the twelve months ahead, although our crop has undoubtedly been cut owing to adverse weather. Carryover stocks of rye at less than 4 million bu are more than one-fifth smaller than the 5 million bu carried over in 1951 and, indeed, it is the smallest carryover since 1948. That crop, particularly in view of the small prospective yield, will probably depend to some extent on how much is imported from Canada. It is surprising that almost as much rye is used for seed as our domestic consumption for bread.

The visible supply of wheat showed another large increase of 23.3 million bu, total stocks in all positions are now 234 million bu, or 61 million bu greater than a year ago. Chicago stocks shared in this increase, with a gain of 4.3 million bu, and the total nearly 12 1/2 million. Corn continued its decrease of 2.7 million bu for the week, leaving 19 1/2 million bu in all markets compared with 34.3 million bu last year. Oats increased 684,000 bu to a total of 21 1/2 million bu compared with 14.6 million last year.

Trade was not particularly heavy, milling demand was rather unimportant, and no spurt was shown in forward buying; with the advances that we have had in wheat recently there seems to be some hesitancy at least for the time being. The figures we have given indicate that it may take time before the impoundings will be felt to a greater extent. Corn lost some of its gain of last Saturday; there was no important rain over the belt except showers in the northern sections of Illinois and Indiana; some of our reports from downstate complained of high temperatures and stressed the need of rain before long. The same is also true, but to a lesser extent of beans. However, new buying failed to come into the market and we had rather indifferent trade.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois.

July 29, 1952.

Everything has become serene again on the political fronts. Many promises have been made to keep the country under full employment, and as long as we have a large standing Army, it seems comparatively simple to bring about this result. Whenever a government pledges itself to provide jobs for everyone, it is a difficult task. However, when the government starts putting men in the Army and in the Navy they not only make a job for men in those positions, but they also create two or three additional jobs in the munitions plants making guns, tanks, etc. We have seen this happenall over Europe, but when the demobilization plans were under way, the reverse took place,- and we have learned through experience that militarism became the great job-making business in Europe. As long as armies and munitions factories were going full steam ahead factories were humming, but it took great sums of money which had to be raised by taxes, and after those governments could not raise taxes any more they began to borrow money, thus creating huge debts. This all brought about planning of the economic system, which finally brought chaos and hardships to the people.

Our market this morning opened somewhat lower and was influenced by more moderate temperatures over much of the belt. Thermomter readings of 100 degrees Fahrenheit or higher were feared as possibly doing some damage to corn and to beans. While relief has only been partial, at least some of the apprehension has been alleviated. There were hardly any rains in the important sections of the corn belt, and not much precipitation is looked for. Even the five-day outlook indicates only about 1/4 inch rain during the period in rather scattered form.

It was reported in the early trade that Austria had bought one cargo hard winter wheat, shipment for first half September. This apparently was not sufficient to give the market much impetus, and wheat prices were slightly lower. It was also reported that Holland had purchased a cargo of corn for last half November shipment from the Gulf. This, however, is so far ahead that not much attention was paid to it, and on the theory that CCC will sell more of its holdings, there seemed to be a little further decline this morning although trade on the whole was rather light.

Carlot receipts in the Southwest have fallen off materially and not much wheat seems to be moving. Of course, storage space is filling so rapidly that this may have something to do with the slowing-up process, but it is also a fact that farmers are disinclined to sell more wheat than they have to when prices are so far below the loan level.

Crop reports from the Northwest speak of some progress to small grains; harvesting is under way in many areas of the southern districts and the early returns show wheat to be of fair to good quality. One of our friends in Minneapolis tells us that combining of new spring wheat has started in the Red River Valley as far North as the border. The wheat is testing 60 to 62 lbs and yields are running from 12 to 20 bu to the acre, with possibly a little damage from rust in some sections of the East. However, the damage will be rather nominal and our informant still expects that the spring wheat crop may yield 240 million bu, which is considerably higher than the last government estimate.

Weather is favorable in Canada. The demand for barley continues quite steady, and as yet there is little pressure on the market, although receipts at Winnipeg are running quite heavy.

Primary receipts of wheat were 4.3 million bu compared with 4.9 million last week, and a little over 4 million last year. Kansas City and Minneapolis stocks so far this week show a total increase of 385,000 bu.

Contract stocks of wheat in Chicago increased to 6.7 million bu versus 4 million a week ago, and it looks as though the red wheat here in Chicago would stay for quite a while. In fact, cash wheat sold at 11¢ under September, which is 21¢ under May, and as long as this situation continues it is rather difficult to enlist too much enthusiasm on the bull side of the market. The dry and extremely hot weather recently may have caused some deterioration of pastures throughout the country, and may have impaired hay crops to some extent. This finally had a little influence on corn, but the buying was mostly of local character. Beans has difficulty in maintaining the previous day's closing levels, and rye was affected by great weakness at Winnipeg; with a lower market in Canada it naturally brought some selling into our market, although trade generally was light, and in fact, no big interest was displayed today in any of the pits.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois
July 30, 1952

After the close of the market yesterday new parity prices were published but there was no change from the previous month. As of July 15th, they were $2.45 per bu for wheat and $1.78 per bu for corn. The latter is about 3¢ higher than a year ago and suggests, therefore, that when the loan is established it will probably be up in the same ratio. In explaining the data used in the computation of figures, the Department showed clothing prices had declined for the eighth consecutive month, and cotton apparel again led the downward movement. However, rises in rural living costs came about due to increases in prices paid by farmers for food, building materials, and motor supplies. The index is complicated, and it is a 41-page pamphlet giving full details, but in any case prices paid by farmers for production goods averaged 273% of the 1910-14 level.

The government also gave figures on the exports of wheat and flour although shipments for June are preliminary. In any case we have exported during the last twelve months 470 million bu, which is certainly a heavy outbound movement, and has only been exceeded twice before in our history: namely, 1947, when we exported 490 million bu, and the following year when 506 million bu was shipped. Last year we started out doing a heavy business right from the start. For example, July exports were nearly 29 million bu and August 42.6 million bu, or a total of 71 1/2 million bu for the two months, which was more than twice as great as for the 1950-51 season. It is difficult to say what will happen this year, although no one is looking for such heavy business, as Canada will probably be more of a factor in the export field. At the same time European crops are not yet fully made, and rain is urgently needed over almost all Europe, particularly for late crops, which have been suffering recently from both drought and heat. On the other hand weather conditions have been largely favorable for harvesting operations and yields in most sections are fully up to trade expectations, although in a few countries there have been some disappointing yields reported. It has turned somewhat cooler in the U. K. following a hot, dry spell. French wheat estimates are running from 312 to 320 million bu, which compares with a recent forecast that was somewhat smaller and last year's crop of 259 million bu. The government has decided to maintain wheat prices at the same level as last year, despite producers claims that costs have risen considerably. Western Germany is actively engaged in harvesting, and weather there is dry. Yields are smaller for wheat and rye in the early harvesting areas.

We also had some figures for Canada, although they do not attempt to give production estimates this early. The acreage figures were a little larger for rye and the wheat acreage for all of Canada is nearly 26 million bu, some increase over last year, and also a fairly large increase for the Provinces.

Rye prices in Canada were somewhat lower at the start but there was very little trend to our market in the early trade, despite the fact that corn was firm. There had been some unexpected moisture in northwest Iowa and southeast Kansas, and there was relief in Missouri and Tennessee where it had been very dry. Temperature changes were unimportant, although there has been some moderation from the extreme heat of last week. The official forecast is for some widely scattered showers in parts of the corn belt but our own weather man believes that the relief, if it comes, will be mostly in the southern sections.

Primary receipts of wheat today were about 2 1/2 million bu, and are running considerably under a year ago, as comparisons for the same date last year they were nearly 4 1/2 million bu. Chicago receipts of wheat were 79 cars today, and it seems that the heavy movement to this market is about over. Stocks of wheat in Kansas City and Minneapolis have increased 832,000 bu so far this week.

The Census Bureau's report of crushing of soybeans for the month of June was 18,617,000 bu, which was 3/4 million bu more than the corresponding month a year ago; to-date 194 million bu have been crushed since October 1st compared with 200 million bu a year ago, and 251 million for the entire season. Stocks of meal at the month end were reduced to 57,784 tons from 59,041 tons at the end of May. Last year at the end of June they were 148,772 tons, but at the end of September they were down to 35,000 tons. Stocks of oil in factory warehouses continue to be reduced, and are now 185 million pounds down from the 245 million maximum at the end of March. Last year at the end of June stocks were 107 million pounds, and were reduced down to 90 million pounds at the end of September. Stocks of soybeans in processing plants at the end of June amounted to 30,838,000 bu, which was up over 2 million bu from the month before. With some moderate receipts of old beans and some new beans in September there is a foreseeable supply to provide for a rather good rate of crushing.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois

July 31, 1952

Much of our greatness has been attained during the past 200 years through private initiative and free enterprise. Man has learned that the task of life is easier of accomplishment through the exchange of goods, services, and ideas. The greater the volume and the fluidity of such exchanges, the larger and fuller the life of every member of society becomes. It is in the marketplace that man's peaceful ways have been expressed. It did not require law or a new order of ideals to bring about distribution of wealth in this country. We need only consider that nearly 8 out of every 10 automobiles of the world are on the highways of the U. S. There were about 40 million telephones in operation two years ago, or the equivalent of one to every home. Undoubtedly the figures if tabulated today would be even more favorable, but in any case two-thirds of all the telephones in the world are in the U. S. Income, too, is distributed on a broad basis, and the amount that is paid out in wages and salaries is over sixteen times as much as is paid out in dividends to stockholders. There are more than 45 million savings depositors in the country, and it is claimed that the amount of savings deposits here exceeds that of all the countries of Europe, whose combined population is four times as great as ours. Approximately 70% of the total life insurance in force in the entire world is right here in our country.

When our market opened this morning it was influenced by a lack of rains over the corn belt, although some good rainfall had been reported over Kentucky, Tennessee, the Carolinas, and northern Georgia during the past twenty-four hours, amounts ranging up to one inch or more in several localities. This was very favorable, inasmuch as those districts had been hot and dry, and relief was badly needed. It looks as though fair weather would continue tonight and Friday over most of the corn belt, except that possibly showers will occur over northwest Iowa and eastern Nebraska. This, however, was not considered sufficient to allay some of the apprehension that had existed and a continuation of yesteray's bull market in corn was featured again in the early trade with more short-covering rather prominent.

A cargo of corn was reported sold to Austria but the export business in wheat is rather slow to develop, and we note, according to Broomhall's figures, since the beginning of the July total shipments of wheat and flour have amounted to only 15 3/4 million bu, which is about 10 million less than was shipped in the corresponding period last year. During the past week about 3 1/4 million bu cleared. Corn exports last week were less than a million bu, and since October 1st have amounted to 64 1/2 million compared with 100 million last season. Total exports of beans since October have amounted to 13 3/4 million compared with 28 3/4 million a year ago.

Canadian weather seems to be favorable for the best development of the crop. The Saskatchewan Pool Elevator report claimed that for the week ending July 25th there was an increase of 3 points in wheat condition, 2 in oats, 4 in barley, and 5 in flax. Wheat condition is now 160 compared with 145 last year. We saw a figure this morning that the Provinces might raise 500 million bu wheat, which would certainly be an outstanding crop, although some hazards may still be encountered in the form of possible rust damage.

Primary receipts of wheat were 3 1/2 million bu, about the same as last year, and compares with 4.3 million last week. Kansas City and Minneapolis stocks so far this week show a total increase of over 1 million bu.

Trade was a little better, and wheat, which lagged yesterday, was strong in sympathy withthe sharp advance at Minneapolis. Beans also continued their upward path. Advices from the country are to the effectthat damage mayhave amounted to as much as 5 to 10% owing to heat and drought. However, beans are a hardier plant than corn, and therefore they withstand dry weather better. For that reason some people are quite optimistic still as to the final outcome. It seems that beans shade the ground and therefore hold the moisture better, but if rain comes within a reasonable time we might still get a good crop. The Northwestern Railway report, while quite optimistic on corn, doubts whether the crop will exceed 3 1/4 billion bu while on July 1st theythought that 3 1/2 billion bu might be possible. Milling demand was very slow, and not much washeard in export circles, but pressure is slackening and buyers had to pay higher prices to fill their commitments.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
141 W. Jackson Blvd.,
Chicago 4, Illinois. August 1, 1952.

When the loan was first instituted in 1938, it was designed to tide the farmer over until such time as his products would increase in value to a point that would yield him a better return. No one ever dreamed that it would set the government up in business to such an extent that elevators would have to be built over virtually every part of the country in order to take care of the storage of various commodities that were being accumulated. Nor do we believe that it was the intent to set up the government in direct competition with its citizens. We note that the Department of Agriculture is asking for offerings now on the construction of 17 grain and peanut storage structures in Texas and Oklahoma. It was claimed that this program was necessary to provide extra space so that southwestern farmers could participate in the 1952 peanut price support program.

It is interesting to note that between June 1949 and the present time CCC has acquired and erected storage facilities which are described merely as temporary. This storage, however, is of tremendous capacity amounting to nearly 545 million bu. The largest facilities are in Iowa where the government owns storage space of about 169 million bu, built during the last three years. However, storage operations are spread throughout the country and 31 states are included in the above figures. There is always the chance that an economy-minded Congress might at some later date require such accommodation to be used in preference to commercial facilities, and that would practically amount to a condemnation of private property without compensation. Should that time come the government might be about the only factor in the grain industry, and it would mean the elimination from our private economy of individuals, partnerships, and corporations of the grain, feed, and milling trade. During the past three years 81 million bu of elevator space has been erected or purchased by the government in the state of Nebraska; so it is really big business, not to speak of other storage space that had been previously acquired, and on which we do not have accurate figures at this time. Members of the Terminal Elevator Grain Merchants Association have a rated capacity, which is less than 400 million bu; therefore, it is quite obvious that the government has become the most important factor in the trade today. Another sad feature of this story is that the crudely constructed space in many instances does not provide for conditioning of grain, which is perishable, and thus there has been a good deal of spoilage, not to speak of the inferior quality grain moved to terminals, which was never the case previously to such an extent as at the present time.

Our market opened rather firmly, and while some rain had been reported in central Iowa, it was mostly along the border adjacent to Nebraska, although there was relief in Tennessee and parts of the Southeast. There will probably be some scattered thundershowers in the extreme northern portions of the corn belt tonight or Saturday, and the five-day outlook is for 1/4 to 1/2 inch rain, but genuine relief does not seem to be yet in sight. Probably rising temperatures will be registered tonight and Saturday. To what extent the market has discounted this news is difficult to say.

Corn receipts in Chicago picked up and a larger percentage comprises CCC holdings, which indicates that they are disposing of their stocks again not only here, but also in other parts of the country.

Wheat prices ruled firm at the start and pressure seemed to be light. There is an absence, however, of important export business, while milling demand fails to show any real spurt.

Primary receipts of wheat continue to slacken, and amounted to a little over 3 million bu today compared with 3 1/4 million bu last year, and 3 3/4 million last week. Kansas City and Minneapolis stocks so far this week show a total increase of 1 1/2 million bu. When the visible supplyis posted on Monday it will compare with an increase of more than 12 million bu last year.

Trade was moderate and there was a fair amount of buying of corn early in the session. However, at mid-session or so rains were reported in parts of Missouri and reactions set in. Just before the close we heard that Iowa was getting some more thundershowers, mostly in the west, but that they might be general in that state tonight and tomorrow, amounts varying up to one inch, but in most cases probably less than that. This was also likely to spread to western Illinois and Indiana, but probably would not go very far south and diminish by Sunday. In any case corn lost its early advance and closed somewhat lower. Beans reacted also after the May future sold at a season's high. Wheat did not get very far on the upside and lost ground when other cereals declined.

UHLMANN GRAIN CO.

DAILY MARKET LETTER
UHLMANN GRAIN COMPANY
141 West Jackson Blvd.,
Chicago, 4, Illinois.

August 4, 1952

Parity is something which is frequently discussed but seldom fully understood. Farmers, of course, are keenly interested in the program because parity prices measure the level at which the prices received for commodities will be in balance with the prices theypay for goods and services. Thus if prices farmers pay double, then parity prices likewise double. If prices farmers pay go down one-half, then parity prices go down one-half. The latter, of course, has never occurred owing to the fact that we have had an inflationary spiral. The theory is that whenever the price of a commodity, such as wheat, is selling at parity, a farmer can sell 1,000 bu wheat and buy in theaggregate as much food, clothing, building materials, machinery, fertilizers and the like as he could with the same amount of wheat during the five-year period, 1910-14. When the price is below parity, he canbuy less; when it is above, he can buy more. When a farmer places any commodity under the non-recourse price support loan, he is protected from price declines but still may benefit from price advances above the loan by redeeming his product and selling it. If the price remains below the support level, the commodity may be delivered in full satisfaction of the price support loan. Of course farmers must have storage available to participate in theloan programs, or public storage for some crops. To encourage the construction of more storage capacity on farms, the Department of Agriculture has extended its storage facilities loan program. This provides loans to farmers up to 80% of the cost of storage structure.

The one fallacy in the whole system as we see it is that if we should have failure crops, even $10 parity for wheat would not be much consolation to a farmer if he has nothing to sell. On the other hand, when bumper crops are raised or when through hybrid seed yields are greatly expanded, the producer gets much more per unit of land than was originally intended. In other words, parity is figured on a bushel-basis that is intended to give farm commodities the same buying or purchasing power that the commodities had during a selected base period when prices received and paid by farmers were considered in good balance. A fairer basis, of course, would be to provide the farmer a balanced buying power on his entire acreage rather than on each unit of a commodity produced.

There was more rain over the weekend than had been forecast. Iowa benefited the most, with more than an inch in many sections of thestate; Nebraska also had fine relief. There was also heavy precipitation in Missouri and northern portions of Illinois and Indiana, but it was muchmore moderate over the central and southern sections of those two states. However, there is some possibility that the central and south portions of the corn belt will receive scattered showers and thunderstorms with somewhat cooler temperatures. Howevever, our reports are to the effect that the drought has not been entirely broken, and for that reason declines in corn were only temporary. Apparently there was sufficient buying power to boost the market and the 2¢ advance during the first hour in Minneapolis oat futures gave us quite a buying spurt here. One of the factors in beans was a rather pessimistic report by a Memphis newspaper with respect to the outlook for cotton, only 14.8 million bales estimated for the next crop. All these factors, with lack of pressure, gave us rather strong markets in the various pits, even though there was not much improvement either in export demand for wheat or in the volume of domestic flour business.

Chicago wheat stocks increased 2.3 million bu to a total of 14 3/4 million bu, corn locally decreased 1.1 million bu, leaving only 5.8 million in Chicago, oats increased 349,000, to a total of 12.2 million, while there was a small decrease in rye, and a small increase in beans. When the U. S. visible wheat supply was posted there was an increase of 13.8 million bu, total stocks of 247 3/4 million compare with 185 million last year. Total corn stocks of 18 million comparewith 32.6 million bu last season, while total oat stocks of 22.8 million compare with 16.2 million bu last season.

We believe the trade today was concerned with the fact that hay and pasture crops have been hurt by the drought, which is not yet relieved in many sections of the country. It has been pointed out that if anything should happen to the corn crop in the Southeast it may mean a heavier demand for vegetable protein products and mill feeds. In any case, corn and oats were very strong, and beans were up over 5¢ per bu for some deliveries, with the result that new highs were made in that cereal for all months except September. May wheat also scored a season's high, while March and May corn reached the highest price for the season, and the three oat futures did also. There seemed to be very little pressure, as buyers became active, while short covering must have also been a factor as prices advanced.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois

August 5, 1952

After yesterday's sharp advance in the market, naturally a good deal of attention was paid to the weather. Moderate rainfall had occurred up the Ohio River Valley and some fairly heavy rainfall was also reported in portions of Tennessee and Virginia. There were light showers in Arkansas and portions of the Southwest but probably of greater importance was that showers were expected in parts of Iowa and Nebraska tonight, which would move eastward by Wednesday afternoon or night, with moderate temperatures prevailing. The five-day forecast was likewise optimistic and it looks as though Illinois and Indiana would probably receive 3/4 to 1 1/2 inch rain by Wednesday or Thursday, and some moisture again Saturday.

This had a little influence on our market, although it was generally felt that enough damage had been done and the pastures and hay crops had been hurt so that the demand for corn and oats might be heavier in the coming year than if we had normal weather up to this time.

Half an hour after our market opened the Galvin figures were released. A corn crop of 3,148 million bu was indicated, and while this is quite a loss from the previous month, it was no greater than had been expected. The oat crop also showed moderate deterioration owing to the fact that yields in the Central States had turned out worse but, nevertheless, a production of 1,325 million bu was not too bad, taking weather elements into account. Wheat was the one cereal that scored a good recovery. It had generally been figured that the government was too low on spring wheat; therefore Galvin's estimate of 236 million bu was more in line with reality, but the fact that he also increased the winter wheat crop to 1,075 million bu was somewhat of a surprise, and we find that the total crop of 1,311 million bu, if added to the carryover of 254 million bu, gives us a total supply for the season of 1,565 million bu, which is very large in view of the fact that the export demand will probably only take care of about 350 million bu. The only bullish factor actually in wheat is the loan and by its provisions many are now estimating that 400 million bu may be impounded so that we could still have an artificial situation before end of the crop-year. That in our opinion would require a price high enough to bring about redemptions to give us the free supplies that will be needed. However, carrying charges are widening and with nearly 15 million bu wheat here in Chicago, a good percentage of it red wheat, it may take some time before sharp advances are registered.

Export business remains extremely light, with only a little business now and then to South America. However, we feel sure that even with the tremendous crop likely in Canada, they can only supply 350 to 400 million bu wheat at the outside. Therefore, with poor crops in Southern Hemisphere and not too much being offered in the Danube Basin, it still leaves a deficiency that only we can furnish. Consequently, spasmodic business is bound to occur as time goes on, and particularly after European native crops have been exhausted.

Primary receipts of wheat were 3,648,000 bu, which compared with 4,355,000 bu last week and 3,143,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 604,000 bu.

Trade was rather active at the start but later on the forecast for some rain took some of the enthusiasm from traders, and we had moderate declines, corn losing part of its yesterday's gain. However, there was no real pressure and the weekly government crop report stated that pastures over much of the country had shown a serious decline; therefore, the effects of the drought are being felt and this may become more important later on unless we have considerable recovery from rains. Wheat showed no trend whatsoever. The volume of flour business is small, and with cash wheat selling at big discounts carrying charges are widening. This, of course, is always a handicap to bullish operations but yet the May future seems to hold comparatively well. An estimate of 273 million bu for beans is probably as much as had been expected. However, it is 7 million bu less than last year and from that crop we shall probably have a very small carryover, indicating that the usage for beans is still heavy.

UHLMANN GRAIN CO.

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.,
Chicago 4, Illinois. August 6, 1952.

The newspapers throughout the country, and in fact, the radio stations also, have been emphasizing to such an extent relief that has been afforded to the disaster states that it has undoubtedly affected public psychology. The drought has been extensive and not only was the southeastern section of the country affected, but also, New England and parts of the East, not to speak of the fringe states surrounding the corn belt, which often produce rather large quantities of feedstuffs. At the same time consumer demand points to some increase over the second half of 1951 in the per capita consumption of beef and veal, so that with any prospective loss in sight from theearly estimates for corn, oats, hay, pastures, etc., we are bound to feel the effects as the season progresses, but some people doubted whether the advance would come this rapidly and this early. In any case, rains in the Southeast and in New England failed to temper enthusiasm on the constructive side of the market, with the result that we had further upturns this morning, which were most prominent in beans. During the next few months military takings of food will probably be at the same over-all rate as late last summer and fall, even though there may be some shifts among items.

As far as the wheat crop is concerned weather will not be much of a factor from this timeonward. According to the government we have a total winter and spring wheat crop of 1,249 million bu; according to yesterday's private estimate the outlook is for 1,311 million bu. If we compromise on these two figures, and assume that the crop will turn out to be 1,275 million bu, and adding the July 1st carryover of 254 million bu, it would mean a total wheat supply for this country of 1,529 million bu. On the demand side of the picture, the government figures that with some imports likely from Canada for feed that domestic consumption may be down to about 702 million bu. They also estimate that export requirements will not be over 375 million bu, and on many occasions it was figured that 400 million bu might be impounded. This accounts for 1,477 million bu. Should there be little variation in the final results, it would leave us with about 52 million bu free wheat at the end of the season, not taking into account what might be redeemed later on. It is our conclusion that while high prices for May wheat may be brought about later in the year, it is going to take time before we make inroads on the accumulations presently taking place, and also, the export business is rather slow in starting. So even if the maximum export goal is reached there will be more wheat on the market for the time being that cannot conveniently be used. If that is the case we may not have sustained strength, but on theother hand there should be periods of reactions.

The foreign crop summary by Broomhall is quite favorable for harvesting wheat and other crops which have made good progress in most sections. Wheat estimates are being maintained in principal European countries. It looks as though France might have close to 300 million bu compared with only 259 million bu last season. In Germany weather has been hot and dry and trade opinions vary considerably, although it is generally felt that spring-planted crops have suffered from drought. Early wheat and rye yields are somewhat under last year. The Italian wheat deliveries continue big but recent dry weather was unfavorable for corn and possibly a smaller crop will be realized than in 1951.

Primary receipts of wheat were down to about 2 million bu, which compared with 2 1/2 million bu last week, and about the same last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1.1 million bu.

Flour business was quiet, but wheat derived most of its strength from the advances in other pits. Beans were extremely strong, and there was a good deal of stop-loss buying and general commission house participation. There was also great strength in oats through persistent purchases, despite some selling here against buying at Winnipeg. Late in the session the Weather Bureau was not as optimistic for rains in the corn belt; in fact, they thought they probably would be light, and this was quite different from the five-day forecast which we had yesterday. Altogether, the public seemed disturbed over the repeated talk of relief in the disaster states, and undoubtedly the long dry spell has done some damage, but to what extent real harm has occurred over the corn belt is still problematic. In any ca offerings were light, and any one who bought or covered had to pay a pretty good price in the type of market that we experienced. Harvesting is in full swing over most of NorthDakota, except for the Durum varieties, where it will require another week to ten days. In many instances prospective yields are better than earlier anticipated, and the quality of the new grain is good to excellent, with one of our friends believing that the final count will show about 240 million bu of wheat in the Northwest.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois

August 7, 1952

Yesterday's great strength was due largely to public participation in the market, and not only did we have short-covering, but undoubtedly buying of an emotional character by those who had been listening to the widespread comment of relief for the disaster states. Secy. Brannan was out with a report that the drought was not serious enough to raise food prices, and this was in direct contradiction to a warning by Mr. Arnall that a general advance was likely. The Secretary pointed out that the drought had affected principally tobacco and cotton crops, and while admitting that almost all foods and feeds in the South had suffered some damage, this was not sufficient to greatly alter our food harvests owing to the fact that the South is not one of the main producing areas. Since the time these sensational reports were circulated there has been good relief in many parts of the country. In New England they have had as much as one inch of rain or more in many sections; the same is true of the Southeast, and while hay and pastures will not immediately respond to the improved weather, at least there is some hope that by fall the situation will be better.

As far as wheat is concerned that crop is practically made, and we pointed that out yesterday, but in a general advance such as we have had, when buying spreads to the various grains, it is difficult for certain commodities to withstand the buying power which occurs elsewhere. Chances are that disappearance in the 1952-53 season will account for about 702 million bu wheat in domestic usage. This will be somewhat larger than for the previous season. Of that quantity 500 million bu will be needed for human food. Feed use is expected to be about 115 million bu, 85 million bu will be used for seed, and possibly 2 million for alcohol. With that disappearance, and using the previous month's figures on production, plus carryover, it would allow 825 million bu for export and reserve. The BAE figures that if 375 million bu is shipped abroad, we would have a carryover stock next July of 450 million bu. In our opinion the figure will be higher as we expect some increases in spring wheat when the crop production figures are given next Monday, and there might even be some improvement in the winter wheat crop. Even the present estimate of 1,249 million bu has been exceeded only twice before in history: namely, by the 1947 crop, when 1,359 million bu was raised, and in 1948, when we had a yield of 1,295 million bu. There is another factor, however, to be considered, and that is, that the soft winter wheat crop this season was estimated at 202 million bu compared with only 151 million bu last year. This is relatively important as a large accumulation of red wheat in Chicago is almost bound to give us carrying charges at least until such time as we have sufficient demand, either domestic or for export, to cut into the accumulations. Also, the hard winter wheat crop of 706 million bu compared with 376 million bu last season will give us a chance to ship large quantities abroad without depleting our stocks.

Therefore, the only really bullish factor is the amount that will go into the loan, and which might finally give us an artificial market. Should prices advance from this level, impoundings would, of course, be smaller. Consequently, the latter is something that will have to be watched, and we are at somewhat of a handicap in that the government does not issue figures frequently as to how much either has or may go into the loan.

In Canada, the movement of new-crop is reflected by heavy marketings of coarse grains, and in three days nearly 5 million bu came forward from farms, while 3 1/2 million bu wheat was marketed. Later on this will be added competition for us, and we expect that a good many oats will come to this country from Canada, the same as occurred last season.

Statistics did not count for much. At his press conference, the President declared the States of Kentucky and Tennessee as disaster areas at the request of their governors, and had accordingly allocated $3 million of emergency funds for the purchase and distribution of feed in order to save the basic dairy and beef herds in those areas. This had a temporary influence on the market, but the open interest now has become very large, and even admitting bumper crops for wheat and a large production for corn we find that open interest in futures for the five leading cereals is 293 million bu, and some of the recent buying may have unbalanced the scale to an extent that reactions will be in order.

In the Northwest one of our friends told us that he purchased 50,000 bu wheat at his country stations, which was about half what he took in. He stated, however, that most of the wheat was selling over the elevator loan value.

Milling demand may have been a little better today, which was responsible for hedges taken out of the pit early, but export business is still slow, and we feel that great caution should be exercised on extreme advances. As yet there is no real rain in sight for the important corn growing areas.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Boulevard,
Chicago 4, Illinois. August 8, 1952.

Weather has been a most important factor in the grain markets during the past week. We have called attention to the improvement in the New England states, also to the southeastern districts of this country. The trade was apprehensive that further declines might occur in corn production, and for that reason we have had many highs established during the week, with a considerable broadening in the outside trade, and the open interest enlarging for almost all of the important cereal crops. There had not been much moisture forecast late yesterday, but sometimes at this time of year changes come quickly. There was rather heavy rainfall over Nebraska, Kansas, and Oklahoma, and in fact, the precipitation ranged in many places from 1 to 3 inches, varying in amounts, but on the whole considerable relief was afforded to crops. The main corn belt did not benefit up to this time but showers West of the Mississippi Riverare forecast for tonight and Saturday, and East of the Mississippi by late tonight or Saturday, with our weather man quite optimistic as to the amounts we may receive over the week-end. This, of course, gave us a lower market this morning, with corn suffering the severest decline, and with beans also going down in sympathy after the sharp advances we have had.

At 10 o'clock Chicago time the Department of Agriculture issued its estimate on the cotton crop, with the yield indicated at 14 3/4 million bales. This was regarded as somewhat bullish in view of the big consumption that is now taking place. The first cereal to be influenced was beans, but it naturally had some effect on other grains as well.

Our export market for wheat is rather dull, although considerable quantities are apt to be sold to Germany the early part of next week. According to Broomhall, shipments of wheat and flour the past week were only 2 1/2 million bu, but this was not 100% accurate as the Port of New Orleans was missing, and some business has been done there. The total for the season amounts to 19 1/2 million compared with 28 3/4 million bu last year. U. S. corn shipments for the week were 1.4 million bu, and since the first of October 65 1/2 million bu cleared vs. 102 million bu the season earlier. No other grain was exported during the week. Argentina for obvious reasons has been removed from the export column. Since January 1st they have shipped only 2 1/2 million bu wheat compared with 73 million bu last year. Thus, it is quite evident that other nations will have to make up for the deficit. Wheat seeding in that country is about completed and private reports indicate a fair increase in acreage over last year. In some places it may be as much as 40% higher. The over-all condition is quite favorable, with general rains received throughout the seeding period. This situation is also favorable for corn planting, which will soon get under way in the early districts and will extend through October. Officials are concentrating on various inducements to get greater production. Apparently prices in that country the last few years have not been much of an inducement for farmers to plant.

Here at home we find that in the past two years farm assets have improved about 9%. However, mortgage debit has also increased by about 8% and other debt has increased 12%, indicating that even with high prices farmers must be having heavy expenditures. The recent advance in farm mortgage debt has brought the total to about prewar levels. Nevertheless, owners' equities have reached an all-time high of $155 billion, and this accounts for over 90% of the total value of farm assets.

Primary receipts of wheat were a little over 2 million bu compared with over 3 million bu last week, and 3.1 million last year. Kansas City and Minneapolis so far this week show a total increase of 1.8 million bu. When the visible supply of wheat is posted on Monday it will compare with an increase last year of 9 1/2 million bu.

Trade was more moderate than in recent sessions, but with the rains that were forecast there seemed to be a reluctance to buy except as concessions were made. Corn scored the sharpest decline, and the early gains in beans were wiped out as profit-taking set in. Weather and crop conditions in Canada are still favorable. The rust scare has diminished, and there are no new dangers ahead. Some of the very late grain may show touches of it but nothing significant. The big problem, according to one of our friends, will be the moving of grain from the country. Our wheat market held relatively firm probably due to the fact that there was no great amount of pressure, but at the same time milling demand remains poor, although some improvement may take place on further easing of the market. Rye, which started strong, also yielded ground when other grains weakened.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Boulevard,
Chicago 4, Illinois

August 11, 1952.

For the past decade we have been prosperous, but much of the prosperity is due to the staggering outlays of public funds. Since 1939, federal expenditures have been in excess of $650 billion. Of this amount about $310 billion has been spent since the end of World War II. For this fiscal year federal expenditures are estimated at $85 billion, while outlays by the state and local governments will add another $25 billion. In other words, total government expenditures, including federal, state, and locals are the equivalent of about 78% of the wages and salaries of all persons engaged in gainful non-government pursuits. Taxes of all kinds absorb about one-third of the national income; it is no longer possible to obtain the largest part of our revenue by soaking the rich. If every cent of income for taxes of those receiving $25,000 a year and over were confiscated by the government the aggregate amount would be sufficient to pay federal current bills for only about ten days.

After the close of the market today, our government report will be issued as of August 1st. Meanwhile, Friday afternoon there was a report from the Searle Grain Company, Ltd., showing brilliant prospects in the Western Provinces of Canada. The estimate of the 1952 crop as compared with previous three years is given below:

	1952	1951	1950	1949	(million bushels)
WHEAT	620	531	427	337	
OATS	335	323	254	190	
RYE	22	16	11.2	7.5	

The quality of the wheat this year is also presumed to be excellent, which is a reversal from last year, and, therefore, it can be anticipated that Canada will be very active in the exportation of their present crop. The week ending August 8th, country deliveries of wheat from the Prairie Provinces amounted to 6,326,000 bu as compared with 3,391,000 bu a year ago, while in coarse grains the deliveries were 8,302,000 bu vs. 1,768,000 bu the previous year. Sanford Evans also shows that for the crop-year ending August 1, 1952, Canadian imports of wheat to the U.S. were approximately 42 million bu against 24 million bu the previous year.

Broomhall reports that Spain will not have a large wheat crop like last year, as threshing returns have been disappointing, the late crop having been hit by drought and heat. In West Germany the same source reports that the southern and southwestern grain belt was hit by late drought and production will be smaller, although in the northern and northwest area there was plenty of rain and yields are heavy.

The first figures on wheat loans in this country have been issued by the U.S.D.A.; 57 million bu had been placed under the loan by July 15th of this year against 15 million bu on July 31st a year ago. Of the amount impounded 27 million bu was in the state of Kansas and 20 million bu in Oklahoma. The Department of Agriculture also comments that exports of several agricultural commodities are expected to decline in the current fiscal year, which began July 1st. They state that foreign supplies of fats and oils, cotton, and wheat are expected larger than last year, and this coupled with the fact that the holdings of gold and dollars at the beginning of this present fiscal year are smaller than a year earlier in the U.K. and other major importing countries, is expected to contribute to smaller exports of major U.S. agricultural products in the1952-53 season.

Since Friday rains have been more or less general over all the grain belts, being heavier in portions of Iowa, Kansas, Nebraska, Oklahoma, northern Illinois, and northern Indiana, and light in other sections of the corn belt. However, showers are expected in the central and southern areas, and some are occurring this morning.

Primary receipts of wheat today totaled 5,812,000 bu vs 5,455,000 bu last week, and 4,936,000 bu comparable day of last year. When the visible supply was posted wheat showed an increase of 8,540,000 bu, making the total 256 million bu, or about 62 million bu more than a year ago. Chicago stocks of wheat increased 1,742,000 bu for a total of16,517,000 bu.

Flour business remains relatively quiet, although buying of spring wheat flour is a little more active. The only export business reported was from the Pacific Coast. It is understood that Holland purchased 1,000 tons of beans Friday, and are probably in the market today for an additional 1,000 tons. Meal demand seems to be slackening some, and very few processors can offer meal at this level; in other words, the market on beans has gone past their ceiling on mixes.

UHLMANN GRAIN CO.

DAILY MARKET LETTER
UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282.
141 W. Jackson Boulevard.
Chicago 4, Illinois August 12, 1952.

The August government report was issued late yesterday and showed a good many changes but no genuine surprises, probably for the reason that the drought had been so well advertised that the trade in general had been expecting a sharp decrease in production of sorghums, oats, etc., and knew that hay and pastures had been adversely affected. In wheat, the increase in spring wheat production was also anticipated, but no one could be quite sure that there would also be an increase in the yields of winter wheat. However, with the figures we now have before us, it appears as though our total wheat production would be 1,298 million bu. If we add to this the carryover reserve of 254 million bu, it would mean that supplies at the beginning of the season were 1,552 million bu. On the consumptive side of the picture, home usage will probably account for 702 million bu wheat and probable exports of 350 million, or a total of 1,052 million bu. From the above it is obvious that we shall probably have a carryover reserve on July 1, 1953 of about 500 million bu. This would certainly be large and more than enough when it is considered that we use only about 500 million bu at home for human food, including bread, cereals, and the like. There would really be nothing bullish in wheat except for the fact that impoundings are apt to be large, and from the figures we had yesterday of 57 million bu that already had gone into theloan, no definite conclusions can yet be drawn. We have tentatively been figuring that 400 million bu might be taken out of commercial channels. That, of course, would leave 100 million bu free wheat at the end of the season. If another large crop were in prospect, many of the processors might be willing to let their supplies run down. Another factor is the price, and any sharp advance coming early in the season might lessen the amountof wheat that would be impounded, while abreak in the market would have just the reverse effect. It is not surprising, therefore, that so little interest is displayed in wheat. At the opening this morning most attention centered in beans, and with the crop 16 million bu smaller than last year the trade regarded this as very bullish, as consumption has been large, and even with the small exports during the past twelve months we have not built up burdensome surpluses. On the contrary, when the final figures on carryover are given, we imagine that a rather negligible reserve will be reported in various positions.

The oat crop, which was estimated at 1,266 million bu, is probably 50 million bu smaller than average but this will be offset by larger supplies from the previous season. Inasmuch as we are on a full import basis from Canada, there does not seem to be any shortage in sight, although the poor prospects for hay and pastures may mean somewhat larger consumption of oats than would otherwise be the case. Last year we were able to export large quantities of sorghums but that grain has fared poorly, with a crop of only 73 million bu in prospect compared with 159 million last season. High temperatures and drought cut the yield in Kansas to 11.7 million bu vs 57.3 million last year. Oklahoma was cut to nearly 3 million compared with 16.7 million bu last year, and Texas dropped to 46.8 million against 71 million last year. Thus, we may find that somewhat larger exports of corn may take place in the season ahead unless there are offsets in other countries. That could easily be the case with the big barley and oat crops in Canada, and also, some shipments of corn from the Argentine to replace sorely needed wheat.

Our reports from the spring wheat area continue relatively satisfactory. There may be some rust and light weight Durum wheat in spots, but this is more than offset by the splendid filling period and the improvement in the bread wheat production elsewhere. Recent temperatures in Canada have been a little low, although we have not heard of any frost damage. According to the last Searle report, phenomenal yields are in sight.

There was nothing much in the statistical news today, primary receipts of wheat are declining, which is normal at this time of the year. Flour business is still dull, and no big business is being pushed; therefore, hardly any hedges are coming out of the pit from that source. The main influence was the government report, which in the main was construed as bullish, but at the same time rains during the past 2 or 3 days have dampened someof the ardor of a good many people in the business, who feel that we may have seen the low production figures on corn and beans, and that possibly some slight improvement may still take place. The close, however, was very firm. Government selling of corn continues with narrowing of the spread between September and December.

UHLMANN GRAIN CO.

DAILY MARKET LETTER
UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Boulevard
Chicago 4, Illinois. August 13, 1952.

Average weekly wage earnings in all manufacturing concerns are now computed at $66.32, which compares with an average of $23.86 for the year 1939. There are no signs of serious inflationary developments in the foreseeable future, as surpluses gradually are replacing shortages even in the face of some strikes and other stoppages. Over-all inventories, while showing a decline last May, are still around $70 billion, which is virtually the all-time peak. In agriculture the story of parity is well known. The wheat loan in 1939 basis Chicago was 80¢ a bu, while at the present time it is $2.53, indicating the general price trend rise and the inflation we have had. While those who defend the parity system on the basis that farmers purchasing power is maintained, there can be no doubt that those with fixed incomes or endowed institutions have suffered during this period as well as those whose savings have deteriorated with the value of the dollar declining through general price advances that have taken place in practically every phase of our economic life.

When our market opened this morning there was very little to guide it. There had been a few showers overnight but mostly in South Dakota, northern Iowa, and Nebraska; elsewhere fair weather prevailed in this country, although some rains were reported in Canada. Apparently the latter is holding up harvesting operations in some of the early fields, but no serious complaints have yet been heard. The trade believes that moisture during the past week, while not having completely broken the drought, has at least aided corn and bean crops, and possibly we have seen the low production figures for those cereals.

In Europe harvesting operations are coming to an end in many of the southern and central sections, but rains in the north have caused delays. On the whole wheat yields are satisfactory, although not as good as had been forecast earlier. French production ranges from 285 to 312 million bu wheat vs 259 million bu last season. There are no figures for Italy but corn and root crops were hurt by heat and insufficient rain. Italian threshing returns of wheat are good. West German crops are good in the South, but too much rain in the North may have cut yields. However, the total seems to be generally satisfactory. While wheat acreage in Australia is again disappointing, we hear that the opposite is true in the Argentine and a substantially larger planting season is expected.

Altogether there is not much incentive in the wheat market for the time being, but we have pointed out recently that the carryover reserve one year hence will be about double what it was on July 1st of this year. While this would not be a record, it would certainly compare very favorably with most years in our history, and about the only constructive factor is the loan, which is bound to take many hundreds of millions of bushels out of commercial channels. While the amounts of impounded wheat will not likely be large in the spring wheat areas, we feel that farmers in the Southwest will lean heavily on government support. Still it is too early at this juncture to have definite conclusions. All that can be said at this time is that experience during the past ten or twelve years has favored holders through this artificial support program, and in most cases redemption prices had to be reached to bring about relief for the actual users of wheat, with available supplies restricted during the early spring months, after we had made serious inroads into our accumulations.

Primary receipts of wheat were a little over 1 1/2 million bu today; this compared with 2 million bu last week, and nearly 2 million last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1.3 million bu.

Cash markets Southwest were a little stronger and there seems to be no pressure of consequence; as a matter of fact flour business was quite heavy overnight, and hedges were taken out of the market early. However, wheat was quite indifferent for a long period, even while soybeans were so strong with the September up about 8¢ per bu.

It was reported that Sweden had bought a cargo of red wheat for October shipment, and that Germany had also purchased two cargoes for similar shipment, while Holland bought a cargo of corn via the Gulf to be shipped next December.

The main feature today was the great strength in the bean meal market, with offerings extremely light; in fact, many buyers complaining that they were unable to get any product. This had quite an influence on beans, including the new crop futures, and apparently opposition was very limited as shorts had been scared on numerous occasions and are, therefore, acting very cautiously. Quite a little of the incoming corn in Chicago today comprised CCC holdings, this further narrowed the spread between September and December, but the deferred futures were somewhat higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
141 W. Jackson Blvd.,
Chicago 4, Illinois. August 14, 1952.

It is somewhat ironical that we proclaim and champion abroad the virtues of democracy and private enterprise, while at the same time we adopt measures at home that have all the earmarks of planned economy with the regimentation and and submergence of the individual. It is incorrect to believe that government planning is something new and novel in the economic field. It had already reached full bloom in the Middle Ages, and in the cornerstone of medieval society was unchanging tradition. Minute specifications were provided as to how everything should be made, how crops were to be grown and harvested, and, indeed, all work was done in the same manner year after year with the result that little improvement took place, and that system has since been referred to as "Planless Compulsion." It eventually degenerated into confusion and anarchy, as widespread corruption and fraud undermined the ironclad regulations. Since the system was rigid and unworkable and made impossible any adaptation to new developments, it finally disintegrated.

Before our market opened this morning we had word that CCC had apparently contemplated a change in its selling policy with respect to corn. We were told that cancellation of shipping instructions from Illinois country locations was general, and there seemed to be no idea as to when the governmental agency would start shipping again. This caused a rather widespread buying movement in the September delivery. In fact, the nearby future has been relatively weak, probably for the reason that government selling has been putting supplies intothe market to such an extent that there was some fear that the 300 million bu still held might gradually be liquidated. Ordinarily old corn, which is dry, is worth several cents over the new-crop months, but nobody could be sure how it would work out if CCC selling persisted. We now find that shipping instructions from Illinois points will probably be reinstituted but possibly not as broad a scale as heretofore. We have been advised indirectly that there would be no change in the general policy of shipping from the country, and thus it leaves the matter little altered from previously, except that government stocks may be reduced more slowly with some regard possibly given to the amounts that can be absorbed from day to day.

We continue to get satisfactory advices from Canada even though a few low temperatures have occurred here and there. Another two weeks will carry the crop beyond a point that frost will do anything except possibly to affect grade damage. In Manitoba and southern Saskatchewan, wheat and other cereals have matured very quickly, and had it not been for a few light scattered showers during the past week, harvesting would now be in full swing. However, it may only take a day or two of dry weather before activities will be resumed. Unfortunately, the Canadian crop is not entirely the predominant factor of the market or of price. It seems to be more a question of how much can be moved, and as one of our friends points out, they will be limited in that respect by the availability of ships and cars.

Primary receipts of wheat were a little larger at 2,801,000 bu compared with 2,640,000 bu last week, and 2 1/2 million lastyear. Kansas City and Minneapolis stocks so far this week show a total increase of 1 3/4 million bu.

Trade was very active at the opening, and corn and beans both showed great strength, but later in the session there was some local selling and also profit-taking. The bean market, which for two days now has been subjected to short covering, had a more two-sided aspect, and best prices did not hold. Chances are that in corn the selling on part of the government will be a little more moderate. In other words, the best quality will not be liquidated as has been the caseon past occasions; therefore, September and December may show a little more differentiation with less pressure on the nearby delivery. There was very little trend to the wheat market, although it was strong at one time in sympathy with other grains, but milling demand has slumped off again and export business is of rather small proportions. The nearby delivery, however, was a little firmer relatively than the deferred months. Crop news from France was highly optimistic. There was no particular trend to oats, some selling here apparently against purchases at Winnipeg.

UHLMANN GRAIN CO.

DAILY MARKET LETTER
UHLMANN GRAIN COMPANY

Telephone: Harrison 7-6282
141 W. Jackson Boulevard
Chicago 4, Illinois

August 15, 1952

One of the leading bankers of this city told a story recently of a student who had asked his Professor to review a paper. After having read the paper the Professor said to the student: "You have written much that is good and much that is original. Unfortunately that which is good is not original, and that which is original is not good." We believe this is typical of so many of our economic concepts, and feel that new economic thought does not develop overnight, but many of the theories that are presently being expounded are old ones although probably translated into some other form, while on the other hand those which are original often do not have the experience and security behind them to have been proved over the years. The old law of supply and demand still functions even though under some handicaps at times. We have often thought that when large quantities of grain are impounded or taken out of commercial channels, it becomes the available supply rather than the actual supply which in most cases sets the price, but even then quantities that are held back become a partial menace where there is the fear that they may suddenly be returned to the marketplace.

This has been going on in corn for some time and with the government still holding about 300 million bu under its domination, it is merely a question of whether liquidation will take place immediately or slowly, and even now the question is not answered, although it is quite likely that CCC selling will be on a more moderate scale, at least for the time being. Today's receipts of corn represent largely government holdings, but after Tuesday or Wednesday of next week, there may be a change in that direction, as probably selling will be restricted.

There was a fair amount of rain reported over the corn belt but it covered mostly eastern Nebraska, eastern Kansas, Iowa, Missouri, and northern and central portions of Illinois and Indiana, with some light showers in South Dakota and Minnesota. For the corn belt the map looks unsettled still, with showers and thunderstorms likely tonight and Saturday, warm today and tonight, but cooler by Saturday afternoon. From that point of view it is almost perfect for the development of corn and beans, and undoubtedly there has been improvement since the government figures were published.

The frost that had been forecast for northern Alberta and Saskatchewan did not develop, but weather was cloudy and cool. The Winnipeg Free Press estimated wheat production in the Prairie Provinces at 627 million bu, which was even larger than the figure named by Searle Grain Co. a week ago. The estimate for oats is 332 million bu, and barley 280 million bu, with nearly 23 million bu rye in prospect-- certainly a wonderful season for that country and nothing like that has ever been witnessed previously.

From August 6th through August 12th, CCC confirmed sales of 14 1/2 million bu in wheat equivalent under IWA. Our program is rather slow in getting started, and with the enormous crops in Canada we are bound to have competition, although as has been mentioned before in these letters, the Canadian difficulties of transportation may hinder as much grain from going into export channels as would otherwise be the case.

Primary receipts of wheat were 2.5 million bu today compared with 2 million bu last week, and 2.5 million last year. Kansas City and Minneapolis stocks show a total increase of nearly 2 million bu. When the visible supply of wheat is posted on Monday it will compare with an increase last year of 3.3 million bu.

Trade was not particularly heavy, and for a time markets were rather firm, but in spite of possibly smaller selling on part of the CCC the trade is mindful that the corn crop is a good one. As a matter of fact, the Chicago & Northwestern Railroad estimate was for 3,250 million bu, and it was further stated that the yield of 63 bu per acre in Iowa was the highest on record, with the crop further along than in 1948, which was a previous record. The nearby delivery is commanding a premium of about 4¢ per bu over December, and it is our opinion that old corn, which is dry, should command a premium of several cents per bu over the new-crop delivery.

There was very little incentive to do much in wheat. After the close tonight, the Canadian crop report will be issued, and if the Searle and Free Press reports are confirmed it will indicate that Canada has a big program ahead in trying to get its surpluses reduced, as there is about 240 million bu carried over from the previous crop.

New crop bean futures were firm, but there was some reluctance in buying the September future, which is already at a very high price.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone:Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois

August 18, 1952

There had been some rather nice rain Friday night over central and southern sections of Illinois, Indiana, and Ohio. Since then weather has cleared but the chances are that more moisture will visit those territories, and in the meantime there has been some good rain in parts of Kansas, but unfortunately Oklahoma and Texas are still very dry. Temperatures are high, and this does not augur too well for the planting of the next winter wheat crop, although there is still time, and we must recognize that it is early.

After our market closed on Friday, we had the official crop report from Ottawa, and indications are for a wheat yield of 656 million bu for all of Canada compared with 562 million bu last year, and a previous record of 566.7 million bu in 1928. A crop such as is now being forecast is tremendous, particularly as acreage is not the highest and the yields will amount to about 25 bu to the acre unless something happens to overtake the crop and cause a change in the next ten days or two weeks. The Canadian oat crop is estimated at 465 million bu compared with 488 million bu last season, barley 295 million bu vs. 252 million bu, and the rye crop is estimated at nearly 25 million bu against 18 million bu last season. Chances are with only two main arteries in Canada: namely, the Canadian National Railroad and the Canadian Pacific, it will be physically impossible to get all this grain from country points to the seaboard. One party believes that Canada may be lucky if as much as 450 million bu wheat is moved from country points, and thus the full weight of the crop will not be felt in the marketplace but actually the amount of grain that may physically be handled under present transportation facilities. Naturally only a portion of the oats, barley, and rye will also be moved, and as usual we are certain that a permit system will be necessary for producers sothat they can only deliver a designated part of their grain as conditions justify. It is figured that farmers will be permitted to deliver 5 bu wheat, 4 bu oats or barley per seeded acre until such time as the quota at their station may be changed. Thus the Canadian farmer is under a rather strict allocation system but that procedure is not new, and apparently he will have to abide by rules and regulations that are set down for him

When our market opened this morning we paid some attention to the optimism expressed in the Canadian report, and wheat was somewhat lower. In fact, other grains sympathized to some extent, while in corn it was pointed out that of 310 cars reported here today, 224 were for the account of Commodity Credit Corporation; thus any restriction in their selling program has not yet been felt.

According to Broomhall prospects for the wheat crop in Europe are better than they were last season. He figures on 1,583 million bu compared with 1,488 bu at that time, an increase in the African prospects of 18 million bu. Even in the Middle East chances are that the wheat prospect will improve by about 16 million bu, and then, of course, the tremendous additions in North America, which are well known. In any case the total for the Northern Hemisphere is for a wheat crop of 3,917 million bu vs. 3,401 million bu last year and 2,986 million bu, the five-year prewar average.

When the visible supply of wheat was posted, there was an increase of 7.3 million bu; the total now has risen to 263.6 million bu, or 65.8 million over last year. Corn decreased 243,000 bu to less than 17 million compared with 29.8 million last season. Oats increased nearly 2 million bu and total stocks are 6 million larger than a year ago. Here in Chicago there was a small increase in wheat, about a standoff in corn, but oats declined 402,000 bu to 11.8 million. Rye changed very little but there is only 407,000 bu beans here in Chicago.

Our markets were firm for a time but good weather and profit-taking seemed to take the edge off the market. There was finally a pretty fair decline in outside markets, which had its influence here. Corn was also intrinsically weak with the September delivery losing ground on later months. This undoubtedly was due to the heavy receipts. Beans reacted from early strength and closed lower but there was no great amount of pressure. Our rye was weak in sympathy with Canada.

Milling demand is poor and not much doing in export circles, but there was some buying of wheat futures by a house with foreign connections, which may be the forerunner of a little greater activity.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone; Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois

August 19, 1952

On a ballot vote held yesterday, members of the Chicago Board of Trade elected to extend trading hours to 1:45 P. M. daily, starting Monday. In view of the Saturday closing of the Exchange, this means that we are henceforth giving 21 1/4 hours service to the country, the same as heretofore. This will compare with 27 1/2 hours when the new hours on the New York Stock Exchange become operative at end of September. Considering the difference in time between the Mid-West and the West Coast, it affords those in California who use our hedging or speculative facilities only about ten hours for operation during the week, which is little enough. In our opinion the new move will stimulate business without burdening anyone conducting business even under our 40-hour work-week.

There has been some rain reported in eastern sections of Nebraska and the middle Missouri River Valley, while precipitation also occurred in the Southeast, so that portions of the fringe areas that had been so dry have had a little more relief. Indications are for showers in northern sections of the corn belt; so altogether corn and beans should have improved to some extent since the last government figures were issued.

A Canadian government report this afternoon will give stocks of grain held July 31st, and chances are that the wheat carryover will be somewhere from 240 to 250 million bu, so that added to the crop as estimated on Friday, total supplies in that country will be close to 900 million bu. This is a tremendous quantity of wheat considering that Canada consumes only about 150 million bu annually for domestic purposes, including food, feed, alcohol, and wastage.

Statistics for wheat in the U. S. are all pretty well known now. Nothing radical is expected in the way of a change from the last government report, and with more than 1 1/2 billion bu wheat on hand, it is going to require both large exports and heavy impoundings to finally take the price up to the redemption level, and chances are that if that does occur, it will not be until spring. Meanwhile, there has been some better export business with Germany during the last day or so and we understand this morning that they were inquiring for 8 additional cargoes, plus five that were sold yesterday. It was also reported, but not confirmed, that Brazil was inquiring for 130,000 tons wheat. On the assumption that Canada will be able to ship 400 million bu wheat and the U. S. 350 million bu, it will still require some business from the smaller countries to make up total world requirements.

Primary receipts of wheat were nearly 2 1/2 million bu, which was a trifle less than last week and compared with 2 million bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1,182,000 bu.

Markets have been a little heavy ever since the Canadian report was issued, and trade has been predominantly on the constructive side of the market, with the open interest now in all grains 315 million bu, which is the largest in some time. It is somewhat paradoxical, but chances are that the lower wheat goes now and the longer it stays down, the more that will be impounded, and consequently, the better chance of seeing higher prices later on. Had the reverse taken place and if we had early advances in the market, probably a less artificial situation would have been brought into force. Therefore, it may be healthier that we are getting these reactions at the present time. Some selling has also been induced by reports of crop improvement, which is not universal, although the weekly weather and crop bulletin states that for Iowa precipitation for the season has averaged twice the normal, and corn is making fine progress. Illinois and Indiana also show improvement with probably the same true for Ohio. However, in Oklahoma and Texas it is still very hot and dry and the few showers that they had were only local in character. In any case the corn and bean areas appear to be in good shape, and with harvest for these cereals still to come, buyers are somewhat more cautious.

Flour business in the Northwest has slackened but is still of moderate proportions. There is even a further slowing down in the Southwest demand.

There appears to be more buying of oats in Winnipeg against sales here and chances are that a large quantity of Canadian oats will find its way into American markets. Therefore, at present price levels there is some doubt as to whether we can get sufficient buying power to give us much of an advance. Beans were weak but had a good recovery.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

UHLMANN GRAIN COMPANY
Telephone: Harrison 7-6282
141 W. Jackson Blvd.
Chicago 4, Illinois August 20, 1952

There was very little news overnight except that the carryover reserves were given for the various grains in Canada, and in wheat 213 million bu remains from the previous crop compared with 189 million bu last year. This was a smaller figure than had been expected, but taking into account a prospective crop of 656 million bu, there is certainly no shortage, and total supplies will amount to 869 million bu, which is much more than is needed, and chances are that storage problems will arise before the season ends. The oat carryover was 105 million bu the largest since 1944, and compares with 95 million bu last season. A carryover of 77 million bu was indicated for barley, a record for all time. This compared with 53 million bu a year ago. In rye there is nearly 8 million bu from previous crops, so that together with nearly 25 million bu that will be raised this season it means that Canada will have a total stock of nearly 33 million bu, and probably accounts for the relative weakness in that market as compared to Chicago. In spite of the premium for the Canadian dollar, we are on a full import basis, but have not heard of any quantities being shipped to this country, possibly for the reason that storage in Chicago is scarce and no one is too much interested in bringing supplies to the U. S.

There had been some rain overnight in Iowa, also some in northern and central Illinois, but farther South it was mostly dry. We doubt if weather is much of a factor from now on, as the main corn and bean belts have been pretty well relieved; but in any case the crops have improved and this was undoubtedly the cause of some further selling after a rather firm start.

Receipts of corn in Chicago were 43 cars estimated, of which 22 were for Commodity Credit Corporation. It rather looks as though government selling would be restricted, and accordingly, the September future gained further on the deferred months.

The Directors of the Minneapolis Grain Exchange voted to have their hours conform with trading here, starting Monday, but the old time limits will be observed in Kansas City; the latter may bring a little more hedging business to Chicago, but apparently the Directors of the Kansas City Exchange had good reaons for taking the step they did even though it creates a little disunity in the trade.

While the carrying charge for Chicago wheat has been widening the reverse has been the case in Kansas City, and we are told from various sources that impoundings of winter wheat will be enormous, all of which may finally give us firmer markets, but for the time being there seems to be enough grain for all purposes and export business, while somewhat improved, is still not on a big scale.

Broomhall's Foreign Crop Summary indicates that late crops suffered from the drought in a number of countries, and plowing for fall crops is being held up because of soil dryness. The French wheat harvest, however, was finished under ideal weather conditions, and an official estimate of 295.7 million bu was given vs. 261.4 million last year, and an average of 295.7 million in the ten years prior to the war. Some private figures are running higher than the official. Germany estimates its wheat crop slightly better than last season but rye smaller. Some indications are that feed crops will be definitely poor. In the Argentine rains have further improved the outlook for the next crop.

Primary receipts of wheat were quite small today, and amounted to only 1.1 million bu, which was about the same as last year but compared with 1 1/2 million bu last week. Kansas City and Minneapolis stocks so far this week show a total increase of 1,590,000 bu.

Markets were for the most part weak, and flour business was rather on the dull side except for moderate bookings in the Northwest, but even those have slowed up considerably from the recent high point. There was some liquidation in the various pits probably induced by the improvement in crop prospects, and with general rains around the Chicago district tended to influence local traders in their commitments.

Holland bought some feed barley in Canada but the Brazilian wheat buying was postponed until next week and not many commercial hedges were taken out of the pit today. The spot corn basis was a little stronger, and with less pressure from CCC corn, this was not surprising. There was a fair amount of selling in beans, and after all, the new crop is starting out at a very high price; therefore, it would not be surprising if there were further reactions as advances lately have been rather spirited, and it is not quite so easy to inspire new buying at these levels. Rye was weak due to large Canadian supplies.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 7-6282
141 W. JACKSON BLVD.

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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 August 21, 1952

Professor Jewkes of Great Britain, in his well known book on ORDEAL BY PLANNING, states: "In the long run the planned economy destroys the independent habits and attitudes through which alone freedom can be preserved. As private property diminishes in importance through penal taxation, the lowering of the rate of interest and the growing relative importance of State property, fewer and fewer people are in the independent position in which they can fearlessly criticize government policy without risking their livelihood and security of their family. The number of people grows whose incomes wholly or partly depend upon keeping their mouths shut and their thoughts private." This naturally gives us something to think about owing to the fact that one out of every six persons receives checks from the federal government, and the number seems to be constantly increasing. In consequence of all this, it is highly essential in the interest of freedom that the pursestrings should be tightened on expenditures that for the last decade or more have been increasing at such a rapid pace.

Before our market opened this morning, there was not too much to guide it. Weather seems to have been perfect everywhere. It was fair and cool in the Northwest, with no frost in Canada. Rains had been reported in the Ohio River Valley, where previously it had been dry. Rains in Illinois travelled farther South than had been expected, and in fact, there was good moisture also in parts of Kansas, while a light shower had been reported at Amarillo, and according to the forecast there may be some relief in the Texas Panhandle. Our market opened a little lower but beans were almost immediately affected by some reports that harvesting operations might not be too much earlier than usual. Our own offices in Illinois were of the opinion that a few beans might move the latter part of September but that, generally speaking, it might be October even with favorable weather before real pressure might start. We appreciate that there are some fields that may be ready for cutting earlier and given satisfactory weather beans might move within the next few weeks in isolated spots, but just to what extent these will move to Chicago remains a question. As a result the September delivery here still maintains its wide premium over the later months.

There were about 37 cars CCC corn in the Chicago arrivals this morning, or a little more than half the local carlots. This indicates that government selling has subsided, and as a result the premium of September corn over December is still somewhat in doubt, as some lower grade corn will continue to be marketed.

Canadian weather was also perfect. There were unconfirmed reports that Germany had bought some barley for feeding purposes, and with the relative cheapness in that market as compared to our corn, we should imagine that finally a very large business would be put through. The Department of Agriculture believes that the output of fats and oils in the year beginning October 1st is likely to be moderately less than for the current crop season. Lower production, however, will be partly offset by larger stocks at the beginning of the crop-year. With stocks of food fats July 1st about 45% greater than those of the same date last year, supplies will at least be as big. Exports may not reach last year's high level because stocks in Europe are large and there is the dollar shortage in some countries.

Primary receipts of wheat were 2.2 million bu, which was a little more than last year and compared with 2.8 million bu last week. Kansas City and Minneapolis stocks so far this week show a total increase of nearly 2 million bu.

Trade was rather moderate. There was no great incentive in wheat, in fact, it borrowed a good part of its firmness from beans and a somewhat higher corn market. As previously mentioned, September beans were strong on the prospect of the harvest not being much earlier than usual; also, higher prices for meal may have been an influence, but in any case there was no pressure and with moderate short-covering and some investment buying we had considerable strength. Cash corn basis was up about 1/2¢ per bu, and it does not look like there would be any deliveries of consequence on the nearby future on September 1st. As a result, September corn is still selling about 5¢ over December but the whole corn market was higher, despite fine weather, and the same was true of oats, with very little spreading between Winnipeg and Chicago today. However, we are convinced that imports of oats will be quite heavy during the entire season, and this is one dampening influence on our market.

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CHICAGO MERCANTILE EX.

CHICAGO, 4

August 22, 1952

In a recent radio broadcast Senator Byrd made this statement: "The country is admittedly prosperous, but our prosperity is suspended dangerously on the ticklish management of a national debt already more than a quarter of a trillion dollars. In prosperous times there can be no possible justification for continuing to spend more than can be collected through taxation at rates within the ability of the people to pay. The ominous part of this postwar deficit financing is that we are not balancing the budget in time of greatest prosperity. If we do not balance the budget now, I ask when will it ever be balanced? ... The government must abandon the program for further socialized housing, already estimated to cost $20 billion. And the program for socialized medicine, which, within ten years, would cost $20 billion annually. And from the Brannan plan for high prices for farmers and low food prices for consumers-- a sure road to complete socialism."

Before our market opened this morning, there was not much news to guide it. From the IWA figures that we had it appeared as though export business in wheat was probably larger than indicated from daily reports, and from the hedges that have been taken out of the pit. In our opinion, however, it will take some time yet before this is fully felt, although heavy impoundings in the Southwest have already told part of the story in carrying charges, with Kansas City September only about 3 3/4¢ under December, while in Chicago, with the red wheat situation, the difference is much wider.

There were a few light showers in the Dakotas, and moderate rainfall had occurred over the Missouri and up the Ohio River Valley. For the corn belt it will probably clear tonight and remain that way Saturday, with slightly warmer temperatures by Saturday afternoon. Some light scattered showers are expected in the Northwest, and some rain was reported in Canada, but on the whole recent weather has been extremely favorable for best development of the crops, and undoubtedly the next government report will express this in higher figures for production of beans and corn.

The U. S. flour and wheat exports for the week, as published by Broomhall, were 9.5 million bu, but this includes two weeks' shipment from New Orleans. The total since July 1st is 34 million bu compared with 47 1/2 million a year ago.

At about mid-session, there was an announcement on the broadtape that OPS within a few days would issue orders to clamp down on sales of oil seed feed mixes at prices higher than the ceiling price of the major ingredient of any such mix. In other words, the new order would be designed to curtail the practice among sellers of adding small amounts of other ingredients and then being able to sell the over-all product at prices substantially over the ceiling. OPS said that the ceiling for any mix containing 85% or more by weight of a basic ingredient will be fixed on the basis of the proportionate ceiling price of the major ingredient plus a cost not to exceed ceilings of the other ingredients plus a $1 a ton mixing allowance. As a general rule, OPS said a ceiling price for such a mix will not be justified at a price higher than the ceiling for the principal ingredient.

Primary receipts of wheat were a little larger and amounted to 2 3/4 million bu compared with 2 1/2 million bu last week and a little over 2 million bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1.9 million bu. When the visible supply is posted on Monday, it will compare with an increase last year of 4.2 million bu.

Trade was only moderate; there was no particular trend to wheat. Milling demand was rather dull and not much occurred in export channels, although a cargo of two hard wheat was sold via the gulf, Holland making the purchase for first half October shipment. Winnipeg advises that some barley had been sold to Japan and apparently hedges were lifted in the pit. Our wheat market was steady but speculative buying was inconspicuous.

Beans naturally heeded the warning of OPS, although it will take some days yet before we get the full story. In the meantime there may be some hesitancy although prices held reasonably well considering the recent advance, and there was no important liquidation. Corn recovered some after early weakness, while rye futures were quite weak here in sympathy with lower prices in Canada.

UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 August 25, 1952

Weather over the week-end had been satisfactory everywhere except that it still remains very hot in Texas. There has been no relief, but despite this fact there is probably enough irrigated land so that the sorghum crop will probably not fall far below the figures given by the government on the first of the month. It was warm in Canada, harvesting operations over many territories were in progress, and the yields apparently are holding up to expectations.

The Department of Agriculture stated that the world may produce a record bread-grain crop this year. Advices from abroad were optimistic on prospects of a very good harvest, and in the Northern Hemisphere countries, the outturn has been fully maintained, while at the same time it is assumed that near average crops will be raised in the important countries of the Southern Hemisphere. Supplies of wheat in the U. S. and Canada for 1952-53 will be the largest in eight years if present crop prospects materialize. This, of course, is due to better yields in both countries, although the carryover supplies will probably be somewhat smaller. It is estimated that wheat stocks here and in Canada will amount to about 2,421 million bu compared with 2,126 million bu last season, and only 1,893 million for the five-year period, 1946-51.

With this situation and the improvement which undoubtedly has occurred in the corn belt and for soybeans, our markets opened somewhat lower. The Federal Reserve Bank of Chicago stated that the bean crop is progressing rapidly, and may improve enough over the August 1st estimate to equal last year's output. About 80% of the acreage in the leading producing areas is now setting pods. This is well ahead of last year and indicates there is little danger of damage from early frost. Quaker Oats Co. is also optimistic in their resume, and all this naturally follows from the wonderful weather that has been experienced. American houses continue to be the best buyers of Winnipeg oat futures, and much of this is being hedged in Chicago. We also heard that some rye was being loaded in Canada, destined for Chicago, so that we cannot entirely ignore the fine **prospects** up there even admitting very little wheat will enter this country except that which may come here for feeding purposes, or ground in bond.

All Kansas City grain elevators were on strike this morning because the Wage Stabilization Board had not ratified the recent agreement on wage increases. This, however, did not have much influence on markets, as a settlement is expected before long.

There was still some uncertainty over the soybean meal ceilings, but we understand that OPS will take action first on linseed and cottonseed meals and that similar action may later be taken on soybean meal, but pending clarification our market turned weak, the September future leading the decline. Washington reported this morning that OPS had set generally higher dollar and cents ceiling prices for processors and distributors of cottonseed feed products. The new order will mean a small increase in ceilings of those in effect in the States of Tennessee, Mississippi, Georgia, and South Carolina, and still larger increases in ceilings for feeds in California and Arizona because prices in those areas were frozen at abnormally low levels. However, in Texas and Oklahoma ceilings for some processors will be reduced from the comparatively high level at which they were frozen. Possibly when the bean meal ceilings are considered a similar pattern will be adopted. Meanwhile, it means confusion and nobody can be sure.

When the visible supply of wheat was posted there was an increase of 6 1/2 million bu. Total stocks of 270 1/4 million were 68 million more than last year. Corn decreased 658,000 bu to 16.3 million vs. 29.6 million last year. Oats increased 1.5 million bu to 28.3 million vs. 22.3 million last season. At Chicago there was a slight increase in wheat; total stocks are now 16 3/4 million bu plus small afloat stocks. Local corn stocks declined to 5 million bu, oats to 11.5 million, while rye stocks are only 1/2 million bu and 284,000 bu beans.

Due to good weather and assurance by all that there would be enough grain to take care of requirements throughout the season, a little bearish feeling prevailed. Milling demand continued rather slow and while a little flour export business took place over the week-end, volume was poor. Therefore, markets had some difficulty in absorbing liquidating sales except as recessions occurred. Corn seemed to be independently weak; Chicago receipts were somewhat smaller than last week but about half the grain in this market was still for the account of Commodity Credit Corporation. Weakness in rye was due largely to talk of imports and weakness at Winnipeg.

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CHICAGO MERCANTILE EX.

CHICAGO, 4

August 26, 1952

The official August figures give the Canadian yield of wheat for the provinces as 25.1 bu to the acre, while our spring wheat yielded only 11.8 bu. Of course, this was due to drought in the Dakotas and is, therefore, not a fair comparison. However, for the past 50 years Canada has been getting better production for spring wheat than we have, and originally it was claimed that this was due to Canada's virgin soil. That theory, of course, is no longer correct. With about the same soil substance as ours, and with rainfall often about comparable, it might be an interesting topic for a thesis if research work were developed on this subject in an effort to determine why for the past 40 years Canada has been getting about 2.6 bu more wheat per acre than we have. Students of the Ptolemaix System have pointed out that the farther one travels from the equator, the longer days were in summer, and hence the additional sunlight that might stimulate growth. In our opinion, Canada's efforts are being rewarded due to advanced varieties of wheat seed that are playing such a large part in producing better yields and higher protein. There has been a tremendous amount of work done in Canada to improve these varieties in order to obtain rust-resistant and drought-resistant seed and, therefore, the long-term average wheat yield of 15.72 bu per acre has been possible.

It might pay our government to do something similar in this field. Secy. Brannan recently confessed that the U. S. is getting only about 25% of real potential from one billion acres of grass, range, and meadow. While it is true that hybrid seed in corn has given great impetus to agriculture, this was privately developed without much government aid. Possibly money and research in this direction would pay better than similar money spent for other programs.

Overnight weather was relatively satisfactory. There had been some light showers in the Peace River district of Saskatchewan, also southern Manitoba. Temperatures, however, were moderate and there seemed to be no complaints from harvesting areas; in fact, work seems to be expanding rapidly. Canadian advices stress the need of constant commercial demand in order to absorb hedges. We had a little rain in our Northwest, also in northwest Iowa, but generally speaking, corn has improved wonderfully, and some observers are of the opinion that the next government report will show an increase of 100 million bu or more as compared with the August figure.

Three cargoes of corn were sold for export but not many hedges were covered; in fact, markets were generally on the weaker side in the early trade, and with some uncertainty still surrounding the soybean meal ceilings, there seemed to be more liquidation, but nothing in heavy volume.

CCC corn arrivals in this market were only 18 cars out of a total of 59, which was regarded a little more helpful to the market. Meanwhile, domestic demand is rather slow. Rye was weak with the same general pattern as heretofore: namely, the threat of larger imports from Canada. Strangely enough, a 40¢ discount under wheat does not stimulate additional bread-grain demand, while at the same time distillers are reluctant to make additional purchases, at least in commercial volume.

Primary receipts of wheat were 2,610,000 bu, which was a little more than last week, also a little more than last year. Kansas City and Minneapolis stocks so far this week show a total increase of 749,000 bu.

After mid-session, when liquidation had completed its course, there was a little buying in the market, which gave us a good reaction in beans, also an upturn in rye, but wheat was very little influenced, and at the moment there is no particular issue for that cereal. The last wheat crop in the Argentine turned out to be a failure when only 75.3 million bu was harvested, but the growing crop which will be ready in January is expected to yield 220 million bu, if weather remains as favorable as it has been up to the present time. Even granting that a crop of that size is realized, there will be many holes to fill up before much will be released for European export in 1953.

Milling demand continues on the dull side and not much is being sold for export. A little flour was sold abroad overnight but this did not represent any substantial volume.

September corn was strong due to lighter receipts and this likewise firmed the distant futures.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 August 27, 1952

While much credit is given to the weather for the bountiful crops raised in this country for the past decade, it must also be considered that plant nutrients used by farmers in the form of commercial fertilizer have had a big influence on agricultural progress. There has been an increase every year since 1939, and while we do not have monthly figures for 1952, it is a fact that commercial fertilizer during 1951 was about 230% above the average level in the prewar years, 1935-39.Even the greatest optimists who had vizualized rising prices for farm commodities failed to predict the sharp increase that we have had in the use of commercial fertilizer, and with proper education there is no telling what the future may hold forth if price relationships remain favorable, and, of course, barring a depression or an all-out war. In this discussion it is assumed that supplies are freely available because even in recent years producers have not in all cases been able to secure as much as at times was needed.

When our market opened this morning it was influenced by higher prices for beans, and the crushing report showed about as much processed during July this year as in 1951, although the total from October to July was about 7 million bu less. We had about the same quantity of beans on hand as a year ago, but meal stocks are down to 71,000 tons compared with 108,000 last year. There was also a report that 4 1/2 to 5 million bu wheat had been sold to Brazil, and apparently this business was handled through an outside source, but because of government agency buying, this is always a possibility. In any case, we saw very few hedges being covered, and very likely many of the export houses which have been participating in this business have been long cash wheat and were encouraged by the fact that premiums had advanced. When prices were so far under the loan level, they were reluctant to put hedges into the market.

Our advices from downstate were more optimistic about the movement of beans at an early date. Some farmers believe that harvest will be fairly general in southern Illinois next week, and combining farther North may start by September 10th to 15th. One country elevator has already received 600 bu new beans, and with good weather conditions the crop may move even earlier than last year.

There was nothing much in the overnight weather with only insignificant showers in the Northwest but clear and rather hot over the winter wheat areas. This is about the 24th consecutive day that temperatures in Texas have been over the 100-degree mark. Its influence, however, was felt mostly on cotton, but unless there is relief soon it may interfere with the seeding of winter wheat in that state. Corn Belt weather was fair and somewhat warmer is expected East of the Mississippi this afternoon and tonight. Generally speaking, it is regarded favorable for best development of the corn crop.

There has been a period of dry weather in a number of European countries, which has adversely affected late crops. However, bread grain harvest is virtually completed, and in France private estimates are above the 295 million bu wheat figure officially given a week or so ago. The outturn of wheat in Germany is larger than last season but barley, oats, and rye are smaller. Rains in Italy benefited plowing but came too late to materially improve the corn crop, and production will probably be inferior to last year. Australia with a smaller acreage will probably have only a moderate wheat crop next January, estimates ranging from 150 to 166 million bu. As mentioned yesterday, a probable Argentine wheat crop of 220 million bu is in prospect, but with home consumption 130 million bu, there will not be too much left for export.

Primary receipts were slightly smaller at 1.3 million bu. This was the same as last year and compared with 1.1 million bu last week. Kansas City and Minneapolis stocks so far this week show a total increase of over 1 million bu.

Trade was extremely light. There was not much reported in export circles except the aforementioned orders for Brazil, although Mexico was said to have purchased 885,000 bu of wheat via gulf and Laredo, while Chile may be in the market on September 10th for 30,000 tons American or Canadian wheat. Domestic flour business was light and there seems no promise for immediate pick-up. It was raining hard at Enid, Oklahoma during the session but apparently the rains did not extend too far in either direction from that center.

The wheat market was a little stronger but there was no real support. Corn is roughly 70% in or beyond the dough stage in Illinois districts, which is ten days ahead of last season. Virtually all the soybeans in our state have podded and early planted fields are showing yellow and are shedding leaves.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 August 28, 1952

The Agricultural Research Administration has just announced a new aerial spray, which through special equipment can be handled by means of a helicopter. It is claimed that with this equipment they can produce spray ranging from relatively close droplets to a finely atomized spray which is almost a mist. While the initial cost is quite high, one can easily see how the uses for this new invention would increase, particularly in areas where it is difficult to control insects through other means. Many pests are difficult to reach with insecticides but when applied by high and fast flying airplanes, such handicaps will likely be overcome. As we understand it, the spray will be carried in two 25-gallon tanks mounted on either side of the helicopter and by use of a centrifugal pump at about 40 lbs pressure per square inch, it will atomize by an air blast from the fan used to cool the helicopter engine. Here is another advance in scientific research, although the practicability of general application is naturally limited by present high cost.

Before our market opened this morning, there was not much to guide it. It was claimed that the 130,000 tons wheat sold to Brazil yesterday might not necessarily be shipped via the gulf but optional tenders of Manitobas or Pacific hard winters were mentioned. In any case the fact that Brazil is buying such large quantities of wheat from North America is in itself unusual, as generally this grain is furnished from Argentine supplies.

During the past week shipments of wheat and flour from the U. S. were 3.6 million bu, but in these figures Pacific ports are missing; so we shall have to wait another week to get the full story. Total exports since first of July have been 48 million bu compared with 63 1/2 million a year ago. Despite some corn that is being exported, we find that the total since October 1st is only 66 3/4 million bu compared with 106 million bu last season. Soybean shipments are only about half as great now as they were a year ago, 14 1/2 million bu having been exported since October 1st compared with 29 million bu at that time. This, however, is also interesting because it shows the ever-increasing consumption domestically and, therefore, export markets are not nearly as important now as they were some years back.

In Canada weather has been clear with moderate temperatures, and according to the Saskatchewan Pool condition of the crop is 166% of normal, which is an advance of 6 points over last week. The crop is about fourteen days ahead of last season; therefore, frost is hardly a menace or a danger. Yields so far are satisfactory, wheat averaging 24 bu to the acre, oats 45 bu, and barley 35 bu. The grade of wheat is also expected to be very high and of the inspections thus far 93% have shown grades of #1, 2, or 3 northern compared with about 40% in the last two years.

There was a little moisture in our Northwest and in Iowa with the possibility that rains will visit other sections of the corn belt tonight. On the whole corn is making wonderful progress, and this no doubt is responsible for somewhat larger receipts from the country, with Chicago carlots today 96, but of this only 17 comprised CCC holdings.

Primary receipts of wheat were 1,670,000 bu compared with 1,131,000 bu last week and 2,341,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1 1/4 million bu.

Trade in wheat was light. There was nothing much reported in export circles, while at the same time flour demand was very slow. In the Northwest, where there had been a fair business recently, the volume has fallen off sharply. Japan was said to be negotiating for 40 cargoes Canadian wheat, but meanwhile was not interested in shipment from our Pacific Coast ports. Markets all turned weak with rye and beans leading. However, corn was also under pressure, with apparently more liquidating sales than could conveniently be absorbed.

The Chicago corn-hog ratio was 11.0 this week compared with 11.4 last week and 11.3 last year.

UHLMANN GRAIN CO.

[illegible] 26, 195[illegible]

[illegible]

[illegible] can readily see how the [illegible] in areas where it is difficult [illegible] difficult to reach with these [illegible] areas, and large crops, [illegible] by the government, [illegible] in two 25-percent [illegible] production [illegible] square [illegible] the two [illegible] recently [illegible] the very [illegible] naturally [illegible]

Before [illegible] this [illegible] I was [illegible] 1,150,000 tons [illegible] people.

During the [illegible] shipments of wheat and flour [illegible] U. S. were [illegible] total exports [illegible] we find [illegible] million bushels [illegible] soybean shipments [illegible] now [illegible] 1/2 million [illegible] shows [illegible] export [illegible] as [illegible] now as they were [illegible] In [illegible] the [illegible] condition of the [illegible]

[illegible] wheat is [illegible] 1, 2, or 3 [illegible] about [illegible] the last two weeks.

[illegible] rains will [illegible] on the whole [illegible] markets today [illegible]

Primary receipts of wheat were 1,[illegible],000 bushels [illegible] 1,1[illegible],000 [illegible] week [illegible] total [illegible] million bu.

[illegible] at the same time [illegible] to be [illegible]

[illegible]

[illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
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NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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141 W. JACKSON BLVD.

MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4

August 29, 1952

Some problem is being presented to Canada with reference to grain storage as a result of this year's unusually large crop following a year whena considerable amount of grain from the last crop is still held in country and terminal elevators. According to a resume of the Searle Grain Company, Limited, total storage capacity of country and terminal elevators for all of Canada is around 530 million bu, which means possibly 450 million bu actual storage after allowing for working space. In analyzing the figures they conclude that the total present available storage might be considered about 100 million bu short of the space needed to hold all that farmers may desire to haul to country elevators during this coming crop season. Some relief is being obtained due to the fact that elevator companies are building additional annexes, and also the possibility that sales of all grains by the Wheat Board and the grain trade may be greater than a year ago. Regardless of the difficulty of finding sufficient space in country and terminal elevators, farmers themselves will have a greater problem than ever before of storing grain on their farms until elevator space can be obtained, as since the advent of the combine grain is available to be hauled to market much sooner after harvest than some years ago. However, their conclusion is that while difficulties are presented, it is better for farmers and for Canada as a whole to have large crops with some storage difficulties than to have small crops and no storage problems. The Canadian Wheat Board, realizing that users must be found to relieve pressure of new wheat, has lowered the "free" wheat 1 7/8¢ a bu. It is contemplated that Japan will need 40 cargoes Canadian wheat in the next few months, which should offer relief to the pressure on Pacific Coast markets.

In this country, the USDA reports sales of wheat for the week ending August 26th under IWA as approximately 5 million bu, bringing the accumulated sales by the U. S. since opening of the quotas for the present season to approximately 51 million bu.

According to Broomhall's statistics, the 1952 wheat production in the Northern Hemisphere will total 3,917,360,000 bu, which would compare with 3,401 million in 1951 and 2,986 million, the 1935-39 average. Comment is made that England Portugal, Spain, Denmark, and Finland will have a little less wheat than last year but that the balance of Europe will have more. Of course, the large crops in the U.S. and Canada substantially bring up the totals. The high price of corn in France is reducing consumption and breeders are switching to barley, which is much cheaper. It is not contemplated that that country will make further purchases of corn until possibly March or April. Speaking for Argentina, it is estimated the sowings of small grains are as follows:

	1952-53	1951-52	1950-51 (Hectares)
Wheat	6,500,000	4,694,400	6,554,200
Oats	1,200,000	1,199,600	1,310,600
Barley	900,000	868,100	898,000
Rye	1,900,000	1,996,600	2,191,200

While these figures are far below the goal, wheat at least shows a substantial improvement from last year.

Some rainfall occurred overnight in Iowa and eastern Nebraska, also some showers in parts of the Texas Panhandle. Otherwise mostly fair weather prevailed and indications over the long week-end are for widely scattered thundershowers in the Southwest and in Iowa, fair East of the Mississippi.

This being the first tender day against September contracts, there was about a million wheat tendered, somewhat over 2 1/2 million oats, 100,000 corn, and 267,000 rye. Markets opened somewhat lower probably in anticipation of deliveries but during the session it was reported that 2 cargoes corn, 4 cargoes hard wheat from the gulf, and 2 cargoes red wheat sold for export. This led to some buying in the pit on part of commission houses which are usually affiliated with export circles. According to the Southwestern Miller, flour business is rather dull, with a slackening pace in the spring wheat territories, as well as in hard and soft winters. However, there is some talk that several large bakery chains may buy over the week-end. **Export flour business is quite inactive.**

Primary **receipts** of wheat today totaled 2,075,000 bu vs. 2,773,000 bu a week ago, and 2,202,000 bu the comparable day of last year. So far this week Minneapolis and Kansas City stocks of wheat show an increase of 1,411,000 bu and when the visible supply is posted on Tuesday, it will be compared with an increase last year of 798,000 bu.

UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 2, 1952.

There were no important changes in parity prices during the month, but to give an indication of the inflation we have had in this country it should be pointed out that prices paid by farmers for family living items averaged 273% of their 1910-14 level, the same as for the month earlier. There were a few retail price reductions for food and building materials, but this was offset by increases in the cost of clothing, auto supplies, and fuel. Generally speaking the parity at this time of the year does not figure heavily except for corn. To that extent the loan willbe higher or lower when we get the parity computation for the month of September.

According to the Office of Foreign Agricultural Relations the grain stocks in the four principal exporting countries on July 1, 1952 were somewhat below the high level of the past three years, but yet significantly above average. Total stocks of the five major grains, which comprise wheat, rye, barley, oats, and corn, are tentatively estimated at 61 million short tons compared with 73.5 million for the past three years, but only 53.5 million for the five years which ended in 1949. The decline of 14 million tons from the July 1951 total is due principally to shrinkage of U.S. stocks, although a sharp percentage drop is noted also in Argentine supplies, and to a lesser degree a decrease in Australia.

Our market this morning tended slightly higher, and was influenced by further export sales of red wheat. It seems that one exporter who had sold some Manitobas had neglected to figure the exchange, and the Wheat Board in Canada would therefore not confirm the sale. Spain, which normally takes red wheat, completed some purchases in this country through the purchase of several cargoes of red wheat, probably three in number, and some hedges were taken out of the pit, plus the fact that sentiment has veered a little more to the constructive side of the market. It seems that the heavy deliveries, principally in oats, have failed to affect markets to any degree, and consequently, there is not much pressure expected for some time to come, so that traders were a little more encouraged in the various pits which gave us rather firm markets.-

Prices of hogs at Chicago in mid-August were slightly below the price which prevailed a year ago. It is thought there may be a decline which will not be more than usual for the season, and average prices may be about as high, or a little higher, than they were last fall; thus, there is some encouragement there also to feeders.

Tomorrow we shall have a private crop report, and chances are that with the good weather considerable improvement has taken place in corn, but this in our opinion has been fairly well discounted already. The government believes, and we concur, that the loan program will prevent a heavy decline in corn. Prices of hay and of protein supplements are less likely to decrease, and may average higher in the coming year. The 1952 hay crop is about 8% smaller than the crop of last year, but is generally of better quality. Profits from feeding cattle this winter might be somewhat better than a year ago provided the reduction in the price of slaughter cattle is only moderate.

The visible supply of wheat showed a smaller increase this week, which amounted to 1 1/4 million bu; total stocks of 271.5 million bu are 68.6 million bu larger than last season. Corn decreased nearly 1 million bu to 15.3 million compared with 30 million last year. Oats increased 459,000 to a total of 28.8 million compared with 24.4 last year. Here in Chicago there was an increase of 377,000 bu in wheat, givingus total stocks of 17 million bu. Corn decreased to 4.4 million bu, oats to 11.2 million, and rye increased to 783,000 bu. There was hardly any change in local bean stocks.

Trade was moderate but prices were higher with the feeling that there might be a little more export business worked to Italy, and as mentioned before, the recent tenders on September contracts failed to widen out carrying charges.

The latest from Washington indicates that meal ceilings will be set somewhere between $88.00 and $92.00 per ton including mixtures up to 85%. However, there may not be any cross-cutting of contracts already on the books, and the result was a rather strong market for September beans, with the distant futures going up in sympathy. The recent hot weather has cut the prospective cotton yield, and this too is probably a factor. Flour sales were light, and mills are still complaining of slow business. Corn was independently strong even when the wheat market was a little hesitant.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept 3, 1952.

The five-day weather forecast had suggested from 1 to 2 inches of rain over the corn belt, and this we believe was largely responsible for the short covering that took place yesterday in corn and in beans. However, now it appears likely that we shall have a more settled condition, with rising temperatures, and this gave us a somewhat lower opening this morning for both corn and beans, although corn held relatively well, particularly as the movement from the country had enlarged, and overnight offerings were rather plentiful.

Shortly after our market opened the Galvin figures were announced. In corn, they show an increase of 51 million bu during the past month, with spring wheat showing an improvement of about 8 million bu, and a somewhat larger oat crop, but on the whole this did not change the ideas of traders with respect to feed grains, as we probably consume that much corn, and may even dig into our reserves based on the estimate published this morning. On the other hand, it is generally recognized that this is not the season of the year when ordinarily advances in corn occur unless there is something in the weather to cause alarm, and for the time being certainly no frosts are being feared.

The soybean crop was estimated at 278.5 million bu --an increase of 14 million bu over the government figure. This brings production practically up to last season; in fact, some people are of the opinion that it may be greater as there is the belief in certain quarters that last year's crop had been over-estimated.

After a period of indifferent trading markets firmed. It had been pointed out that a large portion of the crop in the southern states, and particularly in the Southwest, had made little or no recovery from the damage inflicted by the prolonged drought and excessive temperatures. The corn crop is well ahead of normal, so with average weather conditions from now on it should mature before a killing frost.

There was further export business in wheat, with Germany taking a cargo of hard winters via the Gulf, and possibly further inquiry may lead to heavier business. There is also more German business pending, while the British Ministry of Food was inquiring for some U.S. wheat. Sweden also took a cargo of red wheat. It seems that weather conditions in Europe are not entirely good. Plowing has been held up in some sections of the Continent because of dry soil conditions, and moisture is now needed to facilitate work. The drought has also reduced the outlook for late crops, with corn suffering the most. Fall plowing in France had started in the northern sections, but elsewhere was held up pending some moisture. Official sources in western Germany take a somewhat more optimistic view of the bread grain harvest than was recently voiced by private sources; it is now thought that yields per acre will be only slightly below last season. The 30-day weather forecast for the U. S. calls for temperatures to average above the normal in the eastern quarter of the country, also west of the Continental Divide. Below normal temperatures are predicted for the central part of the nation, with coolest weather in the North Plains. Not too much attention is paid to these long range forecasts in view of the fact that even the five-day outlook has been sketchy and incorrect on more occasions than it was accurate. The heavy moisture that had been forecast for Alberta and Saskatchewan did not develop either, and it is still cool in those regions, and some showers are predicted for the northern areas.

Primary receipts of wheat of 2.3 million bu were a little larger than last year, and compare with 1.3 million bu last week. Kansas City and Minneapolis stocks so far this week show a total increase of 877,000 bu.

Markets did not maintain all the early firmness; actually September corn was weaker while the deferred months were higher. There was some speculative buying in March and May but country selling seemed to depress the nearby delivery. More export business in wheat was reported during the session, but apparently no hedges of consequences were covered, and the market was indifferent with March and May wheat losing ground on the earlier months. There is nearly 10 million bu of contract wheat in Chicago, and the carrying charge from September to December is almost as wide now as it has been at any time. Flour business remains slow, but the demand is bound to pick up soon in view of the fact that recent sales have not been sufficient to build up inventories. September beans remained strong.

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CHICAGO, 4 September 4, 1952.

After the close of the market yesterday OPS said that there would be an announcement later this month on ceiling prices for soybean meal mixtures. It was also stated that soybean processors would be able to deliver soybean meal mixtures under existing contracts established in August, but only up to November 30th. This, however, was some consolation to the trade because for a while it had been figured that the government might cut across existing contracts. On any business put through after September 1st, delivery would have to be made by end of October. We presume that in maintaining ceiling prices, the government is still hopeful that they can fight inflation. Evidence is clear and overwhelming that throughout forty centuries of human experience results in that direction have been very disappointing. The most recent example has been since the start of World War II when France, through the imposition of price controls, attempted to stop rising prices. Despite this the franc today is worth only one-tenth as much as it was when the war began, and the cost of living in France has risen nearly twenty times as much as it has in the U.S..

Students of history will recall that price controls were widely adopted on many occasions in the colonial days but never with success. In 1778, the American Continental Congress adopted a formal resolution which declared: "It hath been found by Experience that Limitations upon the Prices of Commodities are not only ineffectual for the Purposes proposed, but likewise productive of very evil Consequences to the great Detriment of the public Service and grevious Oppression of Individuals...."

There was a fair amount of export business reported this morning, but apparently had very little influence on the market. The U.K. bought some hard wheat and Italy was also a buyer, while at the same time corn was sold to Britain and 3,500 tons corn went to Norway, which, of course, is a healthy situation. Our whole export business has changed during the last decade; not only are we furnishing larger quantities for import requirements but destinations are greatly altered. Formerly Britain took about 40% of all the wheat imported to Europe, and while this is still true our sales to that country have diminished owing to the fact that there are such clo relations between Canada and Britain. We find that last season 100 million bu wheat was shipped to India, 38 million to Japan, 28 million to Brazil, whereas in the past none of these countries took very much from us. On the other hand, there was only 20 1/2 million bu sold to the U K, 20 million to Italy, 17 million to Greece, and 54 million to West Germany. India also took the largest quantity of our milo shipments, and this was probably due to special credit arrangements that had been established.

There is a large business in Canadian barley for export. This is the cheapest of feed grains and will probably be quite a factor in the season ahead. We heard this morning that Germany had purchased 5 cargoes Canadian barley. Weather up there was somewhat showery, particularly in the northern sections of Alberta and Saskatchewan. Nevertheless, harvesting is getting along pretty well; 45% of the wheat has been cut in Manitoba, 20% in Saskatchewan, although slower progress in Alberta. The grades of both wheat and coarse grains are being maintained and are generally much better than last season.

Primary receipts of wheat were smaller today at 1,600,000 bu which was practically the same as last week, and compared with 2 1/2 million last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1 1/4 million bu.

Trade was extremely quiet, and as mentioned before, there was very little market stimulation from export sales. We find also that milling demand was rather slow, despite a few replacements which are occurring from time to time. On the other hand, mills are producing at a fairly good rate. There are some beans moving in the southern part of the state, but whether this will be sufficient to take care of the September deliveries is difficult to tell. Trading in September futures terminates on September 19th, but there may be hedges left in the market on which deliveries will be made until the end of the month, so in that case the buyer may be at a disadvantage as beans might come into competition with heavier offerings early in October. There was not much corn offered from the country, but warmer temperatures and good weather are in prospect, and this is not the calendar period of the year when ordinarily longs have the advantage.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 September 5, 1952.

During the political campaign we are bound to hear on the one side much about graft and corruption, while the others will s peak of social gains and uphold heavy governmental expenditure, probably pointing out that a good part of the disbursement was occasioned by the war debt and further requirements of the Korean conflict. In any case, the figures are so staggering that when billions of dollars are mentioned, it is difficult for most people to comprehend what it really means. Actually the federal government, not to speak of local and state governments, will spend in the current fiscal year more than was spent in the 136 years from 1789 to 1925. Total estimated government expenditures, which include federal, state, and local, will be equivalent to the total wages and salaries of 75% of the number employed in non-government pursuits in this country. These governmental expenditures approximate the total national income of Argentina, Belgium, Brazil, Denmark, France, Greece, Italy, The Netherlands, Norway, Portugal, Sweden, Switzerland, and the United Kingdom. The combined population in those countries aggregates more than 257 million persons. Thus it can be seen why our taxes have to be so high. But this cannot be blamed entirely on the defense program for the reason that our annual non-defense items alone will be nearly as much as was spent for all purposes during the entire decade of the 1920's. The number of civilian workers in the Executive Branch of the federal government has increased by 339% in the last two decades.

There were light frosts reported in parts of Alberta and Saskatchewan last night, with warmer temperatures now forecast. Judging from Canadian markets, and also, from thelateness in the season, no damage seemed likely and not much attention was paid to that factor. However, a strike at the head of the lakes could cause some congestion in the fulfillment of October contracts and will certainly interfere with business. We are getting fairly good reports on the progress of the Argentine wheat crop, and an acreage of 15.2 million compares with 11.6 million last year and 16.2 million two years ago. With average yields, Broomhall believes that the crop might yield 200 million bu, but with home consumption nearly 130 million bu and some wheat held in reserve, not much is expected to be exported.

Our own shipments for the past week were over 7 million bu, and the wheat is thus going out at a pretty fair rate. The total since 1st of July is 55 1/2 million bu compared with 71 1/2 million last year, and not a bad showing at all when it is considered that last season was a generallyheavy one in the export field. Since 1st of October, we have cleared 67 1/2 million bu corn compared with 107 million a year ago. However, with such a poor sorghum crop in this country, there maybe a bigger demand for corn in the year ahead unless Canadian barley is more attractive.

Late reports from Europe indicate that hot, dry weather had had an adverse effect on the corn crop. The U. K. made further purchases of hard winters, while Belgium bought a few parcels of corn. Strangely enough, this trade has not had much effect upon the market, although possibly some hedges have been covered in the Southwest, which may account for their relative strength. Weather over the corn belt w as satisfactory, and the forecast is for fair and warmer with possibly showers in northern Iowa. The five-day outlook suggests 1 to 2 inches rain but due to the inaccuracy of the previous report, not too much attention is being paid to these deferred forecasts, and it seems dfficult enough to try t o predict what will happen for just a period of 36 to 48 hours in advance.

Primary receipts of wheat amounted to 1.7 million bu compared with 2 million bu last week and 2.5 million bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 1 1/2 million bu. When the visible supply is posted on Monday it will compare with an increase last year of 2.3 million bu.

Trade was not particularly active but there was a greater volume than yesterday when the total for all cereals amounted to only 29 million bu. The market did not display much weakness, but on the other hand incentives for buying were also lacking. Even though further export business was reported during the session, it seemed to be mostly wheat from the Pacific Coast and Canadian barley, which, of course, had no particular bearing on Chicago futures.

Flour business also showed a further setback and there seems to be resistance to the recent advances. Premiums in the Southwest have been considerably higher for wheat. This naturally has been reflected in flour prices. Holland bought a cargo of soybeans for November shipment and this was talked about, but the main influence on the market now is the action of the September delivery, and not many people can be sure that the crop will be early enough to give us receipts in time for tendering.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 8, 1952.

After the close of our market Friday the government figures were issued showing impoundings of wheat through August 15th as 169 million bu, which compares with 68 million bu to the end of August a year ago, and a total for the1951 crop of 212 million bu , and for the 1950 crop of 196 million bu. There are some in the trade who believe that this year's total will exceed the record of 408 million bu impounded of the 1942 crop. Kansas naturally led the individual states, with 84 1/2 million bu, Oklahoma 39 million bu, and Texas 12 1/4 million bu. Thus again we see the impact of a high, unrealistic loan value and the interference of supplies moving into the normal channel of trade. In this election year both major parties have committed themselves to a continuation of high support programs, but somewhere along the line in the coming years an analysis of the farm situation and the consequences of high loan values will have to be further studied. While apparently everyone likes to receive the benefit of government money, the decision will have to be made as to whether or not the farmers who have always been considered rugged individuals, will want more complete regimentation, which has to eventually follow such programs as we are now embarked upon. Artificially high prices lead to the raising of crops for the loan rather than for consumption unless acreage controls are invoked, marketing quotas, etc., and every individual in the country, including the farmers, is called upon to pay taxes necessary to support such programs. Furthermore, subsidies are necessary if our grain is to seek its way into international trade, and this further upsets settlement of world problems.

The Monthly Review of the Agricuttural Situation, issed by the Kansas State College, comments that "Steady to higher wheat prices are expected during September. The loan program is the major price supporting factor in the current situation." They further comment that wheat prices are likely to remain below the net loan values during September because of pressure from the U.S. and Canadian crops, but that past experience indicates that once wheat is placed under the loan, it is not released in volume until prices exceed the net loan rate by 3 to 8¢. Whether money is being spent wisely on our agricultural program remains a question, particularly in view of the fact that at a recent meeting at the University of Illinois of the American Farm Economic Association, it was pointed out that productive capacity in agriculture could be increased by 20% over the next four to five years by general use of present known techniques, and in addition, they estimate that production would increase about 60% if known practices were applied to all farm lands. This latter would entail quite an expenditure on part of the farmer but does show that more productive and profitable agriculture could be undertaken in this country.

According to very good advices from Canada, the season as a whole has been ideal. The rain of the past week or ten days has kept the frost away, and it is now felt that 95% of the Canadian crop is beyond frost damage. Our neighbors to the North are somewhat bothered at the moment by the possibility of a terminal elevator strike, which has been called for September 15th, unless negotiations prevent same. Undoubtedly every effort will be made by the government, as well as all in the trade, to avoid such a situation.

Primary receipts of wheat today totaled 3,891,000 bu vs 2,694,000 bu a year ago; there are no figures for last week as it was a holiday. When the visible supply of wheat was posted it showed an increase of 4,415,000 bu, bringing the total to approximately 205 million bu, or about 71 million bu more than a year ago. Chicago stocks of wheat increased 113,000 bu, bringing the total to slightly over 17 million bu.

Weather over the weekend was mostly clear with excellent growing conditions for new crop corn and beans. There is not much news to affect markets, it was reported that the U K bought a cargo of hard wheat out of the Gulf and Ireland bought a cargo of corn from the Atlantic. However, when the bullish government report on cotton was issued at eleven o'clock this morning it immediately was reflected in grains, particularly beans, as well as corn. According to The Southwestern Miller flour business is draggy and inquiries seem to be at price levels well below the present market. As the season progresses believe that wheat will have to seek higher levels to put impounded wheat back into commercial channels, but at the moment enthusiasm seems to be lacking.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 9, 1952.

Outwardly this country seems to be enjoying a great degree of prosperity, with full employment, high wages, and free spending. But in looking under the surface it is a question whether many are not following the lines of deficit spending, with a desire to maintain living standards, despite rising prices. The Federal Reserve Board some months ago indicated that 20 to 25% of all families in this country used installment credit to buy one or more articles in 1951, and that of the families whose money income that year was between $3,000 and $5,000, about 50% bought furniture and/or major household appliances and made use of installment credit. Consideration also has to be given to the installment credit involved in the mortgages on the purchase of new homes. There has been a further sharp increase in installment credit sales the past few months amounting to over a billion dollars in sixty days. It has been estimated that monthly payments now amount to almost a billion dollars on installment credit sales. While this use of financing is a great stimulant to business, nevertheless, the obligation is being incurred and could lead to difficulties if unemployment or strikes reduced earnings.

Farmers as a whole have enjoyed a great measure of prosperity. The Department of Agricultural Economics of the University of Illinois, in analyzing whether it is a good time now to buy a farm, points out that land values are the highest on record, and in the State of Illinois about three times as high as they were in the 1935-39 era. Anyone purchasing a farm at present levels should be well fortified to carry on as operating costs are higher than ever before, and a relatively small drop in income could wipe out all profits. Under present conditions, farming requires good judgment and takes a considerable amount of money. The Department further called attention to the fact that high taxes reduces the amount of money available to pay off debts. Besides the investment in land, it is estimated that machinery, livestock, feed, etc. means an additional investment of $80 an acre on grain farms and $130 on livestock farms in the northern areas of Illinois, while in the southern areas capital needs average about $55 an acre on grain farms and $85 on livestock farms

The pace of wheat export sales has moderated following a good volume recently. The U.K. was credited with buying one cargo and Portugal 1 1/2 cargoes today for shipment out of the Gulf. The official report of July clearances was 21 1/4 million bu compared with 28 3/4 million during July 1951. IWA sales for the week ended September 2nd were 5,938,000 bu, which brought the total to close to 55 million this season. This is almost identical to the quantity that Canada has sold. Australian sales have been about 25 million bu, so that all told there has been 135 million bu worked, leaving 445 million bu unsold of the 580 million in the pact. This is the last year of the present agreement, and it has not been decided whether or not it will be renewed.

Even though we harvested such a large crop of winter wheat, being especially large in the Southwest except for Texas, prices have advanced in Texas and Oklahome to the gross loan levels, so that warehouse loans exceed the government support by the amount of storage which would have to be allowed by the producer to the CCC under the agreement.

While it is too early in the season to become concerned, there,is, however, considerable thought being given to the dry soil condition in this country's grain belt. In places of the Southwest wheat is being dusted in, partly in the hope that it will serve as pasture, but some of this has had to be replanted, and in other areas seeding is limited by the dry soil condition. Not only in our own country but also in Europe is dry weather detrimental to grain production, and it is affecting the corn crop in Europe, which condition has prevailed for some time. Earlier other feed crops were damaged, although the wheat crop came through before the dry weather prevailed. That is similar to conditions in our own country. It seems likely that the European feeding grain situation will call for importations of larger amounts of feed grain, which may help our corn exports, but we believe that most likely Canadian barley is apt to participate in this business, as it seems to be selling relatively lower than other grains and is in quite abundant supply. The movement of this Canadian grain, however, might handicap the full shipments of wheat and thus enable the U.S. to make larger sales of breadgrain.

Kansas City and Minneapolis wheat stocks so far this week have shown a net increase of 795,000 bu. Primary receipts of wheat at 2,379,000 bu were about equal

to last year, and compared with 4 1/2 million a week ago, which included a longer period because of the Labor Day holiday. UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 10, 1952.

The writer just returned from the Annual Convention of the Grain & Feed Dealers National Association in Minneapolis, where over a thousand delegates were registered from virtually every part of the country. In addition to grain matters which were seriously discussed, economic questions also came up, and the impression was gained that many people had given up hope that our national budget could be cut to any extent, owing to the fact that such large expenditures were necessary for interest payments and for the defense program. Few grain men had apparently made more than a casual inspection of the staggering increase in non-defense expenditures, which have increased from $7.7 billion in the fiscal year 1939 to $34.2 billion for the current fiscal year. This represents nearly a four and one-half fold increase during the period. For the current fiscal year federal expenditures for non-defense items alone will be nearly as much as was spent for all purposes during the entire decade of the 1920's. Few people appreciate that governmental expenditures in this country constitute nearly as large a percentage of national income as in Great Britain. That country has for many years been dependent upon us for substantial financial aid. The federal payroll for civilian employees is steadily mounting and since 1939 has shown a gain of 185%, or ten times the rate of increase in the general population during this period.

When our market opened it was little influenced by further export business that had been reported in both corn and in wheat; possibly the recent short-covering has weakened the technical situation to some extent. Soybeans are being marketed at a freer rate, and harvesting operations in the early sections are providing some relief to processors who previously had found it difficult to get supplies.

There was some rain reported in Texas but our offices in that section of the country are not too optimistic yet. It has been dry for so long that a good soaker will be necessary before the situation will be sufficiently relieved. The rains apparently were local and light. However, the forecast talks of possibly continued light to heavy showers, and under the circumstances anything of this kind will certainly be of some help. Southeast of Plainview an inch of slow rain fell.

Secretary Brannan announced that the next year's wheat support would be not less than $2.21 per bu, which is 1¢ more than this year's actual farm loan. Apparently this is done for the purpose of encouraging plantings and production. Naturally if parity is higher at the start of the next crop-year, a loan of 90%, which has already been voted by the Congress, would give us an even higher loan, but in any case it will not average any less. In the meantime the Department of Agriculture expects that the wheat carryover on July 1, 1953, may reach 550 million bu, which would be the third largest in history. By 1954 it might go as high as the previous record of 640 million bu. Of course, projecting a picture that far ahead is only guesswork at this time, but it does indicate the need for continued heavy exports. Total domestic consumption is expected to be about 700 million bu, and it is hoped that shipments will be about 325 million bu this year, and 330 million bu next year. The Department further stated that farmers should adhere to production goals or take the consequences, which, they say, would mean lower prices. Last July the acreage goal for 1953 was for 72 million seeded acres compared with 77.5 million seeded for the 1952 crop. On that basis we might expect a wheat production of 1,080 million bu, assuming average yields on the suggested acreage.

Primary receipts of wheat were a little over a million bu compared with 2.3 million bu last week and 1.4 million bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 1.1 million bu.

Trade was not too active but with weakness in eggs, lard, and oils, beans were again lower, and the fact that country offerings were enlarging due to the fine weather was also a factor that could not be ignored. There seems to be export business in corn almost daily and with poorer crops abroad, this may be quite a factor in the season ahead. Flour business continued very dull and may have been even a little more on the quiet side than heretofore. During the session we had some reports of rain in Texas, and around the San Angelo area from 4 to 6 inches was quite general throughout the district. Wheat, however, was not too weak probably for the reason that high support levels discourage bearish sentiment. The government report will be issued later in the afternoon.

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CHICAGO, 4 September 11, 1952

After the close of the market yesterday the government report for September was published. There were no significant changes, although the prospective corn yield is 50 million bu larger than last month, but about in line with private estimates. Nearly 117 million tons of feed grains now appear in prospect, which is 3 million tons more than the year earlier, and larger than in most years prior to 1948, although much less than in 1948, 1949, and 1950. The feed grain total includes the 4th largest corn crop of 3,185 million bu, and while oats appear to be small, they are nearly average, but a small crop of barley, which is forecast at 221 million bu, and only half a crop of sorghum grains forecast at 72 million bu. In addition the hay crop turned out better than expected, with over 102 million tons,which shows a considerable improvement over the August return. The supply is poorly distributed, but this more often than not is bearish for the reason that the deficit areas do not always import from the surplus sections of the country. The alfalfa crop, likewise, is better than average, all of which indicates that the better areas must have overcome and offset the drought districts, plus the fact that the last 30 days have been more propitious for the development of crops.

As for wheat, we gave some figures in our letter yesterday, but wish to further point out that supplies for the season are the third largest in history, and it now looks as though the carryover on July 1, 1953 will be about double the 254 million bu we had in the reserve this year. With average production next summer, we might have a further increase in the reserve one year later. World trade in wheat probably will be 5% off from the high level of 1951-52 season, with exports from Canada larger, and those from the U. S. smaller. However, shipments from Australia and Argentina are expected to continue at low levels, and countries other than the four principal exporters may increase their clearances moderately. If the national goal of 72 million seeded acres for the 1953 wheat crop is reached, it would be about 8% below the big acreage seeded for harvest this year, but still above the 10-year average of 70.6 million acres. Thus, it is altogether possible that more than a billion bu wheat will be raised again, and if we have a carryover next July of 550 million bu, which the government thinks is likely, the total supply of domestic wheat would be about 1,630 million bu. This is tremendous in view of the fact that domestic consumption probably will amount to less than 700 million bu, and would, therefore, leave about 940 million bu for export and carryover. It must also be considered that in some years growers have exceeded acreage goals, and for each additional million acres planted we would have to add about 15 million bu.Just last June Secretary Brannan announced that because of the uncertainty of world conditions there would be no wheat acreage allotments or marketing controls for 1953.

Primary receipts of wheat were 1.8 million bu compared with 1.6 million bu last week and 2.4 million bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of over a million bu, with fairly heavy receipts in the Northwest.

During the first eight months of this year farmers have received about $18.9 billion from marketings. This is 3% more than a year ago but on the whole prices were lower, although approximately 5% more farm products were sold. Total receipts during this period from crops alone amounted to $7 billion, or 18% higher than last year, with wheat, cotton, and vegetables showing the largest increase. The government estimates that the supply of feed grains and other concentrates for 1952-53 will be about 5% smaller than the year before. This would be less than any of the last four years, either in total or per animal unit. With the country offering corn and beans on a heavier scale, we had further recessions today, but oats held comparatively well and we still believe that it is only the import threat and actual movement that prevented higher prices thus far. Domestic receipts to terminals continue light.

Our wheat clearances for the week were only 3 1/2 million bu, and since July 1st, 58 3/4 million bu compared with 81 1/2 million a year ago. The U. S. inventory of corn at the end of June was cut to 313 million bu compared with 343 million bu at the end of May. Milling demand was still very moderate and we found commercial business in the wheat pit extremely light.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 September 12, 1952

Twenty years ago we were deeply concerned with the question of surpluses, and although we have had bumper crops now for a good many years, with a few exceptions, there seems to be greater thought now toward preserving and increasing production, emphasis being placed on the necessity for adequate food, feed, and fibre for our American citizens. Furthermore, if necessary exports are to be provided, Washington tells us that American farmers are faced in the years ahead with the problem of increasing substantially the fertility and the productivity of the soil. Moreover, the nation's ability to share abundant food supplies with needy people abroad has proved to be one of our strongest assets ,in their opinion, in working with other nations. Domestic food policy necessarily influences and is influenced by the world situation, but here at home several steps have been taken recently to provide adequate price protection in order that farmers will meet production goals without the fear that prices might, under some conditions, drop to disastrous levels.

We pointed out recently that a minimum support loan for wheat had recently been announced to encourage farmers to plant sufficient acreage next summer to bring about this purpose. As PMA points out, we have had price support programs for rye, barley, and grain sorghums for the past twelve years, and for oats since 1945. This has not been mandatory under present legislation but rather a continuation under the permissive provisions of the legislation is claimed essential by the Department of Agriculture if we are to have a balanced production program. 1953 supports for oats, barley, rye, and sorghums have just been announced to assure adequate supplies of feed grains for livestock production. The national average for oats is 80¢ per bu for grade No. 3 or better; $1.24 is promised for barley for grade No. 2 or better except mixed barley. The support price for rye is $1.43 per bu for grade No. 2 or better or grade No. 3 on test weight factor only but otherwise grading No. 2. The support for grain sorghums will be $2.43 per cwt for grade No. 2 or better except mixed grain sorghums. The feed grain price supports just announced are the equivalent of 85% of the latest parity price (August 15, 1952), which is 5%, above the support level last season. This whole procedure is in accordance with forward pricing provisions of the Agricultural Act of 1949. Both loans and purchase agreements will be available through the PMA County Committees from time of harvest through January 31, 1954. In practice it does not make a great change, as all these grains have a lower parity than a year ago because of transitional clauses which reduced oats 4.6¢ per bu on January 15th as compared with December 15th; barley was cut 8¢, while rye was down 9¢ per bu and sorghums were lowered by 15¢ per hundred pounds.

In the political picture Mr. Taft made a statement with the approval of Gen. Eisenhower that the two leaders were determined to bring about a big cut in government spending and in federal taxes. The goal will be to limit federal expenditures in the fiscal year beginning July 1, 1953 to $70 billion, and in the following fiscal year to $60 million. This is claimed to pave the way for a reduction in the tax law to $60 billion by 1955. Thereafter, the Republican fiscal plan will be to limit the government tax law to about 25% of national income.

Primary receipts of wheat amounted to 2 million bu compared to 1.7 million bu last week, and 2.5 million last year. Kansas City and Minneapolis stocks so far this week show a net increase of 1.1 million bu. When the visible supply is posted Monday it will compare with last year's increase in wheat of 4 million bu.

Beans were again under pressure from liquidation, and the November, following the weakness in September, went at one time to less than $3.00 per bu. Corn was also subjected to selling. For some time now the corn-hog ratio has not been too favorable, although not much different from a year ago. However, we are getting nearer to the crop movement, and the weather remains fine.

5,000 tons of red wheat was sold via the Atlantic, and Brazil is said to be inquiring for a large quantity of Gulf hard winters, with other countries like Germany and Italy, also interested. Despite a slow milling demand, wheat prices held relatively firm, and the same is true of oats with Chicago receipts continuing very light.

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CHICAGO, 4 September 15, 1952.

The U.S. exports of agricultural products during the 1951-52 season were valued at slightly over $4 billion dollars compared with $3.4 billion the year before; in other words, an increase of 19%. The nation's exports of all commodities, both agricultural and non-agricultural, amounted to $15.4 billion, representing an increase of 23% over the total exports during the preceding year. Agricultural products accounted for 26% of the total during this period, or a little more than the year earlier. We are finding that since the war the demand for wheat has increased but not so much the European demand, as compared to other countries which have required help, and with increasing populations, and under-production of rice in the Asiatic countries it has really been fortunate that adequate supplies were available in the surplus producing nations to take care of deficit requirements. The following figures are rather interesting in disclosing the demand during the past several seasons with prewar comparisons. We are including only world shipments of wheat and flour, as these were the major grain commodities in world trade, although there was also a good business in feedstuffs:

	1951-52	1950-51	1949-50	1948-49	1937-38	(million bushels)
To Europe	--	496	412	603	409	
To Ex-Europe	--	420	353	335	103	
TOTAL	944	916	765	938	512	

There is no break-up yet in the amount that went to European and non-European countries during the past year but from the other years listed it may be observed that non-European countries have taken three or four times as much as was the case prior to World War II, and the heavy shipments in recent years have been an important factor in keeping the price level high, particularly as the U.S. shipped much larger quantities than any other country, Canada being second in line. However, the amounts furnished by Australia, Argentina, Russia and sundry countries were relatively small. There is some hope that with greater incentives now being offered by the Argentine government to farmers, acreages will return to a normal status. This year the outlook is for a crop of 220 million bu, which is quite good, but with home requirements probably 129 million bu, it would leave only 91 million bu for export and carryover. It has been claimed on several occasions that a reserve stock would probably be built up and, therefore, exports may be relatively small. Both official and unofficial sources are looking for a very moderate crop in Australia due to small acreage. Probably the yield will not exceed 150 million bu, and with home needs 84 million bu, it would leave only 66 million bu for export and carryover.

When the visible supply of wheat was posted there was an increase of only 361,000 bu, the total in all positions now is 276 million bu compared with 209 million bu a year ago. The corn visible decreased 822,000 bu, leaving 13.8 million bu in all positions compared with 29 million bu last season. The oat visible decreased 73,000 bu, leaving 30.3 million bu, which is 2.3 million bu more than we had in 1951. Chicago wheat stocks showed very little change for the week, but are still 17 1/4 million bu. Corn locally was cut to 3.7 million bu, and oats decreased to 10 1/2 million bu. There was not much change in rye. As for beans, everything in this market is practically cleaned up.

Trade was only moderate, and there was not much feature, except that corn was quite weak, and despite rains that fell in the central areas over the weekend, it looks as though clearing conditons would set in. The same is true in our Northwest and in Canada where moisture had occurred. Unfortunately, there is no important relief yet in the Southwest. Milling demand is extremely slow, and no immediate improvement is yet in sight. The state reports were all quite optimistic about the outlook for beans and corn. We are convinced that the distribution of corn this year will be bad, but whether the deficit areas will draw on the surplus sections of the country remains to be seen, as hauling charges are very high. This might finally make for a somewhat smaller consumption than would otherwise be the case. The U. K. bught a cargo of corn for first half November shipment. Rye was weak in sympathy with Winnipeg futures.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 September 16, 1952.

The Farm Board failed because prices were held artificially high, and no provision was made to put our wheat into exporting c hannels; thus accumulations became so great that the burden at home was overwhelming, and finally we had to dispose o f the stocks which had been built up during this period. The wheat loan, which has been in effect since 1938, has meant progressively higher prices, but at the same time we have had a post-war demand for wheat, and also, a two-price system was put into effect through subsidies. As a matter of fact, since World War II, one-third of all the wheat raised in this country has been shipped to foreign countries, In other words, with about 72 million acres planted to wheat, the average annual product of 24 million acres was disposed of through sources other than domestic. To put it another way, our exports in recent years have been nearly equal to all the wheat grown during those years in Nebraska, Kansas, Oklahoma, and Texas.

Without such a foreign demand our wheat farmers could not have lived so well, and it would have become necessary for the government to cut production drastically, or else prices would have slumped to such an extent that farmers might have voluntarily reduced their acreage. The future of the program, as we see it, depends on the competition from other surplus countries, also the extent to which we are willing to assume losses and subsidize shipments.

Under the IWA we figure that every time a cargo of wheat is sent abroad it costs the Treasury anywhere from $200,000 to $250,000. There was undoubtedly many periods when Europe needed grains so badly that they would have bought from us without such added inducements. We assume also that our exports can remain large only so long as smaller crops are raised in the Southern Hemisphere, and with growing populations abroad, deficit countries both in Europe and in Asia will come to us for supplies. With more than 1,200,000 wheat farmers in the U. S., as long as about one-third of whatever is grown finds international markets we may have relative success with the loan program without sacrificing prices to any great extent. As we pointed out in our letter yesterday, non-European countries are at the present time taking 3 to 4 times as much wheat as they did before the war, while actually imports to Europe have not shown very much improvement from the prewar era. Some are claiming that the financial help which we are giving other countries cannot go on indefinitely, and therefore, our great problem is to develop a stable world wheat market on a self-supporting basis.

When our market opened this morning prices were b arely steady. There had been some corn bus iness overnight --two cargoes having been reported sold via the Atlantic for November shipment. Probably of greater importance was the fine weather, and the forecast is for fair and warmer for all sections except possibly a few showers in western Texas. Unfortunately the five-day forecast does not anticipate any appreciable moisture for the Southwest, and while no cold weather is in sight, the season is becoming late and we need rains if winter wheat is to go into the ground under favorable conditions.

Primary receipts of wheat were just under 2 1/2 million bu, which was slightly more than last week and compares with about 3 million bu last year. Kansas City and Minneapolis stocks so far this week show a total increase of 605,000 bu.

Trade was not particularly active. We had recessions at the start due to the fine weather and no doubt beans and corn are maturing beautifully; in fact, some points in Missouri tell of 16 to 17% moisture corn ready for market, and barring adverse weather it looks like a very dry crop of good quality. There are reports from Illinois to the effect that farmers will try to hold their corn, and that offerings may consequently be light. With crops so big they may not have crib space enough to keep it all, but in any case a holding tendency is possible, the same as we are hearing now for beans. In fact, it was this factor that gave impetus to a higher bean market, particularly for the nearby futures today. Wheat was quite inactive with export and domestic demand both slow. We have over 9 million bu #2 red wheat in our Chicago contract stocks; so the carrying charge is still a handicap for holders to overcome.

A few rains were reported around Kansas City and St. Joseph, Missouri, but generally speaking there are still many dry spots and this is particularly true in Texas.

The Chicago corn-hog ratio for the week ending September 13th was 10.3 vs. 10.4 a week ago, and 10.5 a year ago.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 17, 1952.

Money was recognized by traders throughout the world long before any government ever thought of monopolizing it. It was invented to facilitate business and thus to eliminate barter. Paper money gained acceptance only because it carried the promise of convertibility into gold, and the surprising thing is that while most governments of the world have taken money off the gold standard, they still insist on payments in gold from foreigners. In other words, their faith in gold is unshaken, despite any repudiation of it internally. Even devaluation is nothing new, as history has shown that many monarchs decided to enrich themselves by clipping gold coins, which was the original way of tinkering with the gold standard. When it was done it was the expectation that people would accept the depreciated coins at their face value. While money under ordinary circumstances might be a means of exchange and a measure of value, it has now developed that throughout the world it can also be used by the State as a "police club." Indeed, money can be turned into an effective instrument for depriving men of their rights and robbing them of their property. Thus the whole money question has taken on a new meaning. Instead of being a problem in abstract economics, it can now become surcharged with politics and ethics.

When our market opened this morning it was influenced by a somewhat bullish sentiment in beans, with only a small amount available in Chicago for delivery. Apparently the country had refused to sell much after the declines which had taken place, so that it is still a question how the large open interest in the September future will be settled in the pit. In corn, the situation is not as confused even though we do not have a large stock of corn here. Actually the premium over the more distant futures may encourage some selling of old supplies and the spread between September and December has not varied a great deal even though old corn is often worth a premium of several cents per bu over the new crop. Indications are that unless we have adverse weather new corn will be comparatively dry.

There was some unexpected rain in central and southern sections of Illinois, also in parts of Missouri, with the possibility that more precipitation in those areas may occur. Generally speaking, it is clear and in the Southwest subsoil conditions are not too favorable for the germination of winter wheat. On the whole weather has been favorable for harvesting of most crops. Even in Canada enough progress has been made, so that frost is no longer a serious threat. Most of the wheat is grading satisfactorily, and while protein is a little below average, most of the wheat is testing #3 northern or better. The second Dominion report from Ottawa forecasts a total wheat yield of 675 million bu, which was an increase of 19 million bu over the previous estimate and compares with 552 million bu last year. There was no change in the outlook for the barley harvest but about a 9 million bu increase in oats, and a slight decrease in rye, the latter being 24.5 million bu, which compared with only 17.6 million last season.

European weather has also improved with heavy general rain in France, and this chould put the soil in better condition. Previously fall work had been retarded because of the hardness of the soil. The wheat crop is now officially estimated at 304 million bu vs. last year's outturn of 261 million bu. Private estimates have been, and still are, ranging as high as 320 million bu. Weather is clear in Germany and estimates continue to indicate a breadgrain harvest of 100,000 tons more than last season, but the total grain harvest will be approximately 250,000 tons below 1951. The Italian corn crop will probably be about 10% lower than last year, but weather is now clear and favorable for harvest.

Primary receipts of wheat were quite small, amounting to only 688,000 bu compared with over a million last week and1.7 million bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 96,000 bu.

There was hardly any feature to the wheat market; in fact, yesterday's trade was only about 5 1/2 million bu, or as much as one large commission house formerly traded during a single day. The Canadian crop report can only be construed bearish. The previous record for Canada was 558 million bu in 1928. There is some business expected in export circles from here to Germany and it may be reported tomorrow. The soybean market finally lost all of the early gains and corn was likewise inclined to weakness, but there was no important pressure in any of our markets.

The State reports were still optimistic on both corn and beans. Demand for flour remains extremely light and only an occasional booking is reported here or there. Some rains occurred in parts of Oklahoma, and whatever moisture we get in dry sections is extremely favorable at this time of year.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 18, 1952.

The InternationalWheat Agreement was originally drafted as a four-year contract and is now being renegotiated. Arguments for its continuance by the Office of Foreign Agricultural Relations contain a good many points, one of which was the instability of world wheat prices before the pact became operative. In instituting the two-price system, which they claim costs this country about $130 million a year, they mention that the financial help the U.S. has given other countries since World War II has made it possible for those nations to buy a great deal of our wheat, although admittedly such assitance even though necessary to friendly nations, cannot be expected togo on indefinitely. Looking at Britain, they insist her imports are more than two-thirds of the wheat required for consumption, and if through high prices imports were reduced, bread would become scarcer and more expensive, thus playing havoc with the British cost of living, and might prevent the fight to control inflation.

In examining the first premise, we quote Broomhall, who shows that the difference between maximum and minimumprices in the past four years have shown an average price fluctuation of 25% compared with the actual fluctuation of 28% in the Liverpool spot market during the ten prewar years --both expressed in terms of the highest annual price. This British authority points out that the dislocations following World War II brought about selling monopolies in the main exporting countries, buying monopolies in the importing countries, and finally the International Wheat Agreement. He concludes that most thoughtful people are now convinced that the nations must discover some alternative to the present method. In other words, some compromise between control and free trading in wheat must be made. Wheat must be given the undoubted benefits of the open markets, while equally farmers must have the assurance that prices will not be allowed tofall to what the French expressively term "derisory" levels.

Our markets early this morning had little to influence them. There had been some rains in Oklahoma that were not forecast, with as much as 1/2 inch in some territories and an unsettled condition prevails in parts of Texas and Oklahoma, although our own weather man is not too hopeful that heavy precipitation will occur.

We have in wheat a rather bearish picture now, with the large prospective carryover in the U.S. probable next July --a figure that will be double the previous one. Also, an increase in the Canadian crop, which suggests that their reserves of 240 million bu will be increased to 340 million bu by next August, even granting almost record shipments abroad. Now we find that the French wheat crop of 304 million bu will build up a reserve in that country, as home consumption has dropped to about 265 million bu; thus they may have 39 million bu on hand at year-end plus whatever quantities are imported from their North African Colonies. Russia is negotiating for the barter of about 15 cargoes wheat to Pakistan in exchange for jute and cotton, plus the fact that crop news from India is still very encouraging. After heavy rains in the Northwest weather has now turned dry and favorable for all cereals. Condition of the crops is expected to improve. Seeding of spring crops, including wheat, is now becoming general.

Our market was little influenced this morning by reports that Germany had bought 122,000 tons #2 hard wheat for January shipment via the gulf. It was claimed that bids were also in the market for about 30,000 additional tons.

Primary receipts of wheat were somewhat over a million bu compared with 1.8 million bu last week and 3 1/2 million bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 323,000 bu.

There was a better volume of business generally, and at one time liquidation in corn and in beans was rather heavy. Wheat did not recede to any extent even though the flour demand was draggy although it is surprising that with the export business not more hedges were covered. It was also claimed that two cargoes corn were sold to the U. K. for last half October shipment. This gave us a little business and probably helped to steady the market. The strike at Winnipeg was settled and some enthusiasm was apparent early but leter on their oats and rye fell back in aympathy with declines here.

Tomorrow will be the last day for trading in September futures and very likely with the large open interest action inSeptember beans will be erratic.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 19, 1952.

While we have had a high scale of production in most agricultural products, higher prices have really been the dominant influence in increasing farm income almost year after year. Parity is making new records almost monthly, with the result that loans on basic products have likewise increased. Farm assets and equities reached record levels on January1, 1952, and total assets of America agriculture, including financial assets owned by farmers, reached a new high of $169 billion the first of this year. This was 9% above the valuation for January 1, 1951. Higher prices were registered and were the main cause of increase in farm real estate, livestock, machinery, and motor vehicles. Despite this, a further increase in agricultural debt has been taking place, and farm mortgage debt has risen to about $6.3 billion, according to the last available figures. This has resulted mainly from the rising costs of farming, and also, from the large expenditures by farmers and others for the purchase and improvement of farms and for livestock and equipment.

We do not have similar figures for Canada but it is a fact that the last year has been an incredible one for Canadian agriculture. A year ago at this time adverse weather became such a factor that only about half the wheat, oat, and barley crops could be harvested, and there was great danger that spoilage might be terrific, so that even with the heavy yields, crops might never be gathered in satisfactory shape to be marketed. Still with the fairly severe winter, weather turned moderate enough in spring so that harvesting of these grains in the fields could be accomplished with practically a minimum of loss. On top of that there was enough labor and machinery to plant crops for the coming summer, and the result was a bumper wheat crop with almost record yields for oats and barley, so that altogether North America is faced with large reserves at the end of the season, despite tremendous exports which are anticipated.

When our market opened this morning prices were fairly steady, and September beans were a little higher. It was almost a foregone conclusion that therewould be erratic swings in the nearby bean delivery because at the opening this morning there was still an open interest of 4,767,000 bu. Furthermore, stocks in Chicago were very small, and, therefore, most of the contracts had to be settled in the pit. There was a little buying of December wheat by the same party who had been prominent in the trade yesterday, but new exports from Germany had not yet been reported.

There has been a little delay in harvesting Canadian grain due to unfavorable weather but this is not regarded as serious and early estimates of yields still indicate a wonderful condition; in fact, field work is possible in Manitoba and Saskatchewan, although there have been a few showers in Alberta. We had some rain east of the Mississippi River during the last 24 hours, which was quite heavy over central and southern portions of Illinois, Indiana, and Ohio, but with temperatures considerably lower the indications are for clear skies at least over the weekend, and this should be good for both corn and beans. The embargo on shipments to the lakehead were lifted yesterday and new business will probably pick up. While no fresh barley business was reported, there seemed to be lots of inquiries and from a price standpoint Canadian barley seems to have a good deal of merit.

Statistics did not count for much, although primary receipts of wheat which were 1.6 million bu were 1 million bu smaller than last year. When the visible supply is posted on Monday it will compare with a shrinkage a year ago of 2.4 million bu.

Everybody was watching the outcome of September beans, and the close was very weak. This naturally had an influence on the rest of the market. Corn, particularly the deferred futures, had been quite strong early, but later lost ground. The September future was liquidated, and with early corn likely there was little interest on the long side of the market. Exporters who had sold wheat to Germany yesterday were still covering some hedges this morning, which accounted for the relative strength. Otherwise, there was no particular feature. Flour business was again very light. Quite a few Canadian oats have been bought and there is always the danger that they may be shipped to this country.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 September 22, 1952

There are a good many people throughout the world who sincerely believe that the government should take over more and more businesses, and that they can handle in a more efficient manner many of the enterprises now privately owned. For example, most of the telephone and telegraph services in Europe are under government control. In Britain, railroads have been nationalized, and more recently coal and steel, but it is always a question whether these operations have added to human comforts, or whether the processes have been more economic.

In our own country the Post Office has always been a government project, although a citizen once offered to take it over as a private enterprise and run it strictly on business lines-- this was never done. During the past 126 years, national deficits of Postal operations have been incurred in all years but eight. Unfortunately the larger the volume grows, the larger the deficits become, while in recent years the delivery services have been contracted rather than expanded. In comparison the Bell Telephone System has been expanding and improving its services to the public; today with 37.4 million telephones, it is twice the number which were in operation during 1940. Including some of the smaller companies, we have twice as many instruments installed as all the rest of the nations of the world combined. The Bell System is larger than the Post Office in terms of gross revenue. Last year it paid to the governments $629 million in operating taxes, including federal, state, and local. It also collected for Uncle Sam a total of $571 million in excise taxes on behalf of telephone users, yet it wound up with an operating income of $435 million, while the Post Office wound up its fiscal year with an operating deficit of $551 million, and paid no taxes of any kind.

Before any government encroaches further upon private businesses we believe that further studies and comparisons such as this should be undertaken.

Markets opened relatively firm this morning, and despite the sharp break in September beans Friday, it was felt that at these levels processor demand might be fairly active, while at the same time farmers might not rush their products to market. This refers to corn as well as to beans. Feeding during the coming season is apt to be large. The government has previously adopted a policy of helping feeders in those areas where the drought had persisted for so long a period. We find that in seven southern states through September 12th, there has been about 112,447 tons hay ordered and most of this is coming from the northern states, such as Illinois, Iowa, Wisconsin, and Michigan. Shipments have already amounted to 4,839 carlots, running between ten to fifteen tons per car, and this may avoid liquidation of dairy and basic beef cattle herds and basic sheep flocks until such time as improved crops are in prospect. Operations are continuing, which is evidence that the animal numbers may not be unduly sacrificed.

In the Central States there was some rain over the week-end but mostly in the northern sections. A few more showers may occur but chances are for clearing tonight and fair thereafter. Of greater importance was precipitation Southwest. The Weather Bureau claimed rain in western Kansas, Oklahoma, and the Texas Panhandle, but unfortunately not enough in Oklahoma to really relieve the drought. The Panhandle moisture probably averaged 1/4 to nearly 1/2 inch in some sections, and while this will be of some help more rains are urgently needed to bring about relief after such a long spell of hot, dry weather. There were showers also over Saskatchewan and Manitoba, but clearing conditions were reported this morning.

When the visible supply of wheat was posted there was a decrease of 2 million bu; total stocks are 274 1/2 million bu compared with 206.8 million bu last season. Corn showed a small increase, with total stocks 14 million vs 29.3 million last year. Oats decreased 318,000 bu, and there is a little more in all positions than last season. However, we expect rather heavy imports again, the same as last season, when we received 58 1/2 million bu from Canada.

After mid-session there was considerable selling of corn and the cattle market here in Chicago was weak and demoralized, which had some influence on feed grains. Oats were also weak, and we had a rather sharp decline in soybeans, Rye was somewhat lower but will depend finally on how much we get from Canada. Last year 6.8 million bu came to this country, and we shall have to see nowhow many boats are available. Wheat held comparatively well but no new export business of consequence was uncovered.

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CHICAGO, 4 September 23, 1952

When the next government report is issued, we shall probably find that soybean production will approximate 280 million bu. The story of beans during the past twenty-seven years is one of romance, as in 1925 this country raised less than 5 million bu, and only about 1 1/2 million acres were devoted to that grain. At the beginning there were very few uses for beans, and Mr. Ford helped producers by making plastics, but it was, of course, uncommon for anyone to try to extract either oil or meal, and in fact, before 1935 the soybean was used largely for forage, being preserved either as hay or silage. Though the soybean is still used extensively as a forage crop, a large increase in acreage since 1941 has been for the production of beans. In 1950, about 83% of the acreage was for beans, 9% for hay, and 8% for pasture and plowing under. Unlike the seed of most other legumes that of the soybean is rich in oil, which makes the crop an important source of vegetable oil and meal. It was not until after 1935 that about one-half the domestic production was processed. Because of the many uses today, beans have advanced from a position of minor importance to one of major importance, and the present economic value puts them in a class so they now rank fifth among farm crops. Strangely enough, the soybean was grown largely in the beginning as a substitute crop when clover or some other crop failed. Today it has a prominent place in the cropping system of many Great Plains farms.

When our market opened this morning weather over the main belt was mainly clear and cool, and chances are that it will continue that way for the next few days at least. There were some rains in the Texas Panhandle, but mostly over the South Plains. According to a local newspaper at Lubbock, Texas, some of the farmers there may replant wheat and return their herds from Oklahoma and Arkansas, as it is considered likely that enough moisture has been received to possibly restore range lands. This may have had some little influence on the wheat market after the long period of drought in Texas, and for the past three years now crops in that state have done very poorly due to adverse weather conditions. We have had periods when more than 100 million bu wheat was raised in Texas, and at times the wheat acreage has been nearly as large as that of Oklahoma.

There is little at the moment to influence wheat prices for the reason that known statistics are not apt to change much. A good harvest is indicated for Argentina even with the somewhat smaller acreage than was earlier expected, but with 130 million bu wheat needed for domestic consumption and possibly a reserve built up, there will not be too much for export. The Australian crop is apt to be somewhere from 135 to 150 million bu, and a good deal of wheat land has gone into barley due to economic conditions. About 70 million bu wheat is needed for home usage in Australia, and the present surplus remaining is less than 38 million bu compared with 53 million bu last year and 71 million bu two years ago. Thus Southern Hemisphere countries will not be too competitive. The main wheat contributor outside of ourselves is Canada, with a record crop in the process of being harvested, and also, with the large reserve from last season making available supplies very large. In the two positions there was 888 million bu, and deducting 150 million bu for home requirements, it would leave a net supply of 738 million bu, which is certainly fantastic.

Primary receipts of wheat were 1.5 million bu compared with 2.4 million last week, and 3.4 million last year. Kansas City and Minneapolis stocks so far this week show a net increase of 315,000 bu. Chicago contract stocks of wheat are nearly 10 million bu.

Cash markets and premiums Southwest have been very strong of late, and it is thought in some quarters that an advance of 5 to 7¢ per bu might bring out some redemptions. With this situation there is a limit as to how high wheat futures can sell, although we admit that there is still a good chance that artificial factors will play a more important part later on. A local was conspicuous on the selling side of wheat and beans today, he had also sold corn yesterday. There was pretty general liquidation early, but after a sharp break when traders started to cover we also had healthy reactions. The Illinois weather has been so good that corn is about 85% safe from frost as compared with 50% at this time last year. Other states also report an advanced condition, so that a sudden drop in temperatures would not do much harm. What we really should have is a good soaking rain Southwest, but this seems not yet to be in sight. Export business was quiet and milling demand continued very much on the slow side.

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CHICAGO, 4 Sept. 24, 1952.

It always seems surprising to us that a good many people who are fastidious in trying to collect and study all the figures relating to our domestic grain situation fail to realize what an important factor Canada continues to be, even though there is a limit to how muchof their grain we can expect to import due to transporation difficulties. This is probably less true of wheat for the reason that irrespective of duty, less than 1 million bu of Canadian wheat is permitted to come to the United States for human consumption, although there is some relationship because of competitive factors in the export field. Yet, when we are willing to export such large quantities of grain under the IWA or under credit terms, we still have a large field.

For example, last season we furnished 103 million bu of wheat and flour to India, 45 1/2 million bu to Japan, nearly 15 million bu to Mexico, being closer to that country than other exporters, 31 million bu to Brazil, 54 million to Germany, and so on down the line, which finally enabled us to ship a total of 472 million bu, which was almost a record for all time, and more than four times as much as we used to export in theperiod 1930 to 1947.

As for oats and rye, the situation was somewhat different. As we pointed out recently, we took about 58 1/2 million bu of oats last season fromCanada; therefore, it behooves one to look into the Canadian coarse grain situation to see what the picture looks like. Current indications are that supplies of feed grain will be at near record levels this season for the second consecutive year. The carryover stock of oats at nearly 105 million bu, is the third largest on record, while the carryover stock of barley at about 77 million bu constitutes a new record. Added to this unusually large reserve would be the Canadian crops now being harvested, and as of July 31st it appears as though the barley crop would be the largest, the oat crop the seventh largest, and mixed grain the fifth largest on record. Should these estimates be realized Canada will again have to force large quantities of grain outside of wheat into exporting channels.

The combined exports of oats, barley, rye, and flaxseed last season reached a record of 149 million bu, which was more than double shipments of the previous year. On the other hand, it should be noted that the Canadian Wheat Board has recently announced that the present favorable crop prospects would indicate that producers will again harvest more grain than can be delivered to country elevators during the fall months. This will result in congestion to such an extent that it will again be necessary to institute a quota system of deliveries.

When our market opened thismorning, it was apparent that short-covering late yesterday had weakened the technical situation, and with weather almost perfect in Canada, and also good over the corn and bean belts, there was a little further selling but certainly no pressure from the country. Export business in wheat seems slow to develop although Pakistan is expected to buy 150,000 tons U.S. wheat shortly, while Austria may take a considerable quantity of U.S. flour. We are suffering greatly from the lack of demand for our red wheat, and it is difficult to see any change within the coming months. Thus, there is every likelihood that December wheat will go to a further discount under May with the stocks that have accumulated in Chicago. The Foreign Crop Summary by Broomhall was optimistic and estimates for the Continent indicate a somewhat larger wheat return than last year but still slightly under the 1935-39 average.

Primary receipts, while about the same as last week, were small at only 644,000 bu and compared with 1.5 million bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 138,000 bu.

During the first part of the session there was a good deal of indifference. Markets failed to break much, probably due to small country offerings and a local house was a fairly large buyer of corn, beans, and wheat. This apparently caused some of the locals to cover their positions, and markets became quite strong although wheat lagged, and there was very little trade in that cereal. The milling demand still remains extremely poor, and according to the Southwestern Miller sales were well below one-third of capacity in the Southwest, which is quite unusual at this season of the year. Wheat receipts are becoming rather light in all markets and while we have no figures recently of the amount of wheat impounded, chances are that large quantities are going into the loan, or at least wheat is being held back. This accounts for some stability and may mean an artificial market later on.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 25, 1952.

While we are fully aware of the great impact that the wheat loan has had upon markets, and the way in which it has caused artificial situations during the -- past ten years, we believe we would be remiss in our duty unless we called attention to the very bearish fundamental factors in the statistical situation, which probably have had, and will continue to have, some bearing on the price level. Even the loan might have been much less effective had it not been for the fact that we have been exporting about one-third of our domestic production. In other words, the equivalent of all the wheat raised in Texas, Oklahoma, Kansas, and Nebraska has been destined for the export market, and had we not had these outlets the accumulations would have been tremendous.

While the U.S. wheat crop of 1,298 million bu is the second largest of record, we now find that North America, with a crop of 1.98 billion bu, is a record, and is 27% above 1951, and 82% larger than the prewar average (1935-39). Last year we raised in this country only 987 million bu, and it was the first time in the past eight years that the yield fell under the billion-bushel mark. Looking at the picture from a broader view, the world wheat production is forecast at 7.15 billion bu compared with 6.48 billion a year ago, and 6.02 billion the average for 1935-39. A near record harvest is reported for western Europe, which will reduce import requirements for this traditionally deficit area at the same time that the exporting countries of North America are harvesting record or near record crops. There is also a record outturn for Asia, but in spite of this, substantial imports may again be needed for India where the wheat crop is reported below average, and additionally a current scarcity of rice seems to be adding to the food problem.

In making these statements we should also qualify them by saying that the world production of rye is estimated at 1.57 billion bu, which is 5% less than last season and about 10% below the prewar average. The decline, however, is attributable mainly to reduced yields in the Soviet Union, and therefore, is less of a factor than otherwise would be the case. However, with a substantial reduction in Europe's rye acreage this would account for the smaller yields there. Normally these two Continents produce about 95% of the world rye crop; thus it can be seen that rye production both in the United States and in Canada is of comparatively little importance to world trade.

Clearances of wheat and flour for the past week were 3 3/4 million bu, and since July 1st have amounted to about 69 million bu compared with 101.6 million last year. While the U.S. has shipped 32.6 million bu less than a year ago, Canadian exports are 14 million bu larger, and it is quite likely to expect that our clearances for the entire year will be much smaller than those of the previous season. Corn shipments for the week were a little less than 1 1/2 million bu, and since the first of October 70 million bu has been cleared, which compared with 108 1/2 million a year ago.

We had some buying in various pits by the same people who sold yesterday and it seems that traders are very nervous. The fact that not many beans are being offered from the country has tended to create a more bullish sentiment, and it is thought that any day now the new ceiling for bean meal may be announced. The corn-hog ratio is 10.8, a slight improvement over the previous week when it was 10.3, but less than last year when it was 11.1. There is likewise little corn being offered from the country, but weather is practically perfect; not only has it remained dry, but no rain is in sight, and higher temperatures are in prospect.

Statistics were rather unimportant, although the primary movement of wheat was 1.4 million bu, which was larger than last week, but only about half of last year. Kansas City and Minneapolis stocks show a net increase of 185,000 bu.

We had firm markets early, but there was profit-taking later on; as a matter of fact December wheat made a low for the season, so whatever advance then has been lately has been in cash wheat premiums or in the deferred futures. An export house was a good buyer of wheat today, and there was a report that Austria had bought 11,500 tons #1 hard wheat via the Gulf for last half November shipment, also some reports that Mexico might soon be in the market. Carrying charges in wheat are widening.

There was a bad explosion at Fort William, and the elevator containing 5 million bu of grain was badly damaged, but we do not know at this writing whether the loss was complete or whether some of the grain may be saved.

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CHICAGO MERCANTILE EX.

CHICAGO. 4 Sept. 26, 1952.

Official export figures were funished by the government for the first two months of the crop year, and we now find that clearances of wheat and flour for July and August have amounted to 44.8 million bu compared with 71.5 million bu last season. Other grain products were also smaller, with 19.6 million bu shipped this year compared with 31 million last. Inasmuch as our markets were largely held because of the big shipments in the season just closed, one must watch this factor carefully, but chances are that with our various outlets, and furnishing some grain on credit, we shall probably clear about 325 million bu wheat if we are fortunate, which would give us a carryover reserve next July of 550 million bu, or about twice as much as we had on July 1, 1952.

European crops have advanced sufficiently far that some comparisons are now possible. According to Broomhall and his various agents, there was 1,584 million bu wheat raised in all European countries compared with 1,500 million bu last year and 1,623 million bu the five-year average prior to the war. Yields this season were varied but the northern areas had good crops, and in some cases bumper ones. Countries in the middle and near East suffered from hot winds and an early drought, so that yields in those sections were below average. So much has been said in the past about the big yields received from virgin soil, and this was the boast of Canada for a long time, but we have noted this season that in a few isolated farms in England, where producers have been raising crops for centuries, wheat yielded as much as 132 bu to the acre, and in most cases in Ireland they exceeded 60 bu to the acre. This, of course, is not general, but at least it does show, with proper utilization of the soil and with sufficient fertilizer, what can be done.

When our market opened this morning prices were a little lower, and an export house that had been prominent on the buying side of wheat yesterday seemed to have selling orders in the pit, and the result was that December wheat established another season's low. This despite the fact that prices were relatively firm in outside markets, such as Minneapolis and Kansas City. The crop of red wheat is 50 million bu larger than last year, and the demand for it is very poor; therefore, the accumulations here in Chicago are bearing heavily on the market, particularly as only small quantities appear to have been impounded. While the government claims that movement into storage under the price support program has been heavy, so far this season we have no late figures, consequently it is difficult to make true appraisals.

In feed circles sentiment is a little friendlier, and according to September 1st prospects, the supply of feed concentrates will be about 4% smaller than in 1951-52, and about equal to the1946-50 average. The per animal grain consuming unit will be smaller than last season, and about 10% less than in the preceding three years. Chances are that because of reductions in last spring's pig crop the hog slaughter this fall will be below a year ago. However, demand has weakened and prices are not likely to rise much above last year.

Weather in Canada is ideal for harvesting of grain. There may have been a little damage due to earlier rains and frosts, but this so often occurs in northern Canada, but the main crop has been successfully brought in this season, and there is bound to be a superabundance of high grade wheat for export. This of course, is entirely different from a year ago when we had a long period of adverse weather, and as a result so much grain of every character had to be left inthe field during the winter months.

Primary receipts of wheat totaled 1,283,000 bu vs 1,650,000 bu a week ago, and 2,352,000 bu comparable day of last year. So far this week Kansas City and Minneapolis stocks of wheat show a net increase of 180,000 bu. When the visible supply of wheat is posted on Monday it will compare with an increase last year of 9,000 bu.

Wheat was under considerable liquidation during most of the session, and December wheat again went into new low ground. The weakness in wheat at times was imparted to other pits, there was also weakness expressed in many outside commodities. Export business remains quiet, and according to The Southwestern Miller, flour business is of very small volume. There still seems to be no demand for red wheat.

Weather remains extremely favorable in the bean and corn areas, and there should be general harvesting of beans within the next ten days.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 September 29, 1952.

The value of farms has increased again, and during the past year there was a 5% improvement, which was considerably less than during the preceding year. Apparently there had been some offsets to the higher income received by farmers in the way of farm labor and general expenditures, and the result seems to be that very few farms are now changing hands except when estates are settled. With parity prices going higher almost every month, the producer seems to be in a preferred category in having almost greater security than any other individual, so that there is no real incentive to sell land except when individuals here or there seek retirement. With high prices being paid for farm machinery, labor, fertilizer, etc., we find farming is probably no more remunerative than it was a year ago, but at the same time with large crops being harvested most farm owners are still receiving a satisfactory rate of return, despite some weakness in hog and cattle prices and some uncertainty as to the long-range outlook for farm commodity prices. This may have discouraged some expansion, but at the same time the holding tendency is rather uniform throughout the country, and in the Mountain St ates grazing lands in particular continue in strong demand. There is some increase in demand for irrigated lands because of the current drought in parts of the West, but high labor costs for crops grown on irrigated lands tend to be an offsetting factor.

When our market opened this morning it was naturally influenced by the almost perfect weather in the corn and bean belts; records were broken for high temperatures, and even in Canada the thermometer registered a high reading. There has been no rain of significance, and while this is favorable for the crops just mentioned, it is becoming extremely dry in many parts of the Southwest, and for that reason we find that July wheat is gaining in popularity and has narrowed its discount under other months. The bean market was influenced by the OPS ceiling increase, which becomes $87 per ton on September 30th, basis Decatur, and thus the straight product gets a $6 a ton increase. The main purpose of the new order is to clamp down on prices of soybean feed mixes which have been sold as substitutes for straight soybean meal feed and at generally higher prices. Under the new requirement, sellers of meal mixes will be affected if 80% or mor by weight contains straight soybean meal. The new ceilings will apply to contracts for forward deliveries on soybean meal and mixes after specified dates. Some in the trade had looked for a somewhat higher ceiling, and for that reason when our market opened this morning there was a little hesitancy, but we understood later that some export business had beenput through to Formosa. In any event one of the larger exporters was a good buyer of November contracts, which gave the market firmness, although there appeared to be somehedging pressure also.

When the visible supply of wheat was posted there was a decrease of 1,855,000 bu, which leaves total stocks in all positions of 272.3 million bu, or 65 1/2 million more than we had last year. The corn visible increased 1 1/4 million bu to a total of 15.2 million bu vs 29.3 million last season. The oat visible decreased 110,000 bu, total stocks of 29 3/4 million bu are slightly more than a year ago. Here in Chicago wheat stocks showed practically no change, and we still have 17.3 million bu wheat in storage, corn increased 592,000 bu to 4.2 million bu, oats decreased less than 200,000 bu to 9.9 million bu, and there was very little change in rye or beans.

Markets were mostly on the weaker side, but there was some recovery from breaks. Beans seemed to hold comparatively well, probably influenced by export business. For the first time since the early years of the Century the Argentine people have had to economize on use of wheat for bread consumption. Millers are extracting 82 to 85% flour from the wheat berry under edict, while sales of wheat for animal feed have been prohibited. Despite all economies, imports of 6.6 million bu from America werenecessary to feed the people in that country. The new crop is promising to the extent that 200 millionbu or more is in sight, but Australian advices continue pessimistic with some estimates running as low as 135 to 140 million bu compared with 161 million bu last year, and a peak of 218 million bu three years ago.

Trade on the whole was quiet, and there was no great inducement for making new commitments on a big scale, but as long as most of Kansas, Oklahoma, Nebraksa, and eastern Colorado need moisture rather urgently no one is pressing the short side of the market too aggressively.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Sept. 30, 1952.

Weather over the corn belt was again perfect. Temperatures are above normal, skies have been clear, and we would say that the danger of frost has now been passed. Not only will the corn measure up to expectations, but the next government report may even increase the figure over the previous forecast, which was for a crop of 3,185 million bu. Chances are that the quality will be exceptionally high. It is a little too early yet to know what the carryover reserve will be from last season, but on basis of about 500 million bu corn on hand, it would mean that last season we dipped into our reserves by about 245 million bu. Thus it is safe to assume that this country is consuming about 3,185 million bu corn, or more than 20 bu for every man, woman, and child, in order to get all the meat, butter, milk, etc. for our annual diet. It also suggests that unless the crop figure is raised we are just about consuming as much as is being produced.

In that connection, the growth in population has made a tremendous increase in requirements as compared with prewar days. In the ten years prior to the war we averaged a corn crop of only 2,338 million bu, and it is quite obvious, therefore, that if we ever revert to the smaller crops that were raised at that time, we would really have tremendous handicaps in this country and great economies would have to be practiced. It would be even worse than in the Argentine, for with the poor wheat crop they had last season they were at least able to import fair amounts from North America. There are very few countries on whom we could draw if such an emergency arose today. All this has occurred when our hay crops were also very substantial, when over most years we increased sorghum production, and had a fair amount of forage for animals. We are exporting possibly 100 million bu corn each year, which could be discontinued, but even that quantity is about made up by the combined imports of oats and barley fromCanada. It is doubtful whether much heavier quantities of oats and barley could be shipped from our neighbor to the north owing to the fact that transportation facilities and boats are limited. Therefore, it behooves us to keep production figures high. Our acreage has been reduced and we are dependent upon larger yields per care through hybrid seed and favorable weather; but in any case it suggests a rather close adjustment between supply and demand.

When our market opened this morning prices were a little lower, and it was reported that Ireland had bought 3,000 tons corn and that Germany was expected to be in the market for 150,000 tons wheat in the next few days. This gave some support but speculative buying was rather limited, and in corn some traders are awaiting the movement of the new crop before becoming too enthusiastic. Flour buyers are still holding off, and the action of the market has apparently encouraged a waiting tendency in the hope that we may have a still lower level, although early today the December wheat contract in Chicago made a new season's low.

The small grain harvest has been completed in the Northwest under almost ideal conditions, which are reflected by the constant good quality of the crop. Unfortunately, it is still very dry in the Southwest, and even the five-day forecast offers little hope for relief during the period. There were a few showers reported in northern Alberta and Saskatchewan; otherwise weather up there was perfect and good progress has been made in gathering crops. In fact, Canadian weather has been uniformly good since last April when the previous season's wheat, oats, and barley had to be brought in and later on growing conditions were such that record wheat and barley crops were possible, while the oat crop at 465 million bu will be the seventh largest and mixed grains will be the 5th best in their history. All this has meant the imposition of delivery quotas for the 1952-53 season since producers are harvesting more grain than can be delivered at country elevators during the fall months. This year the delivery quota on rye was set at 5 bu per seeded acre, and being more liberal than the season before larger terminal stocks had been built up.

Primary receipts of wheat amounted to 2 million bu, a little more than last week but only two-thirds of last year.

Our markets rallied at one time but there was no sustained strength, and apparently it is a little early yet to expect corn and beans to hold. CCC purchased some beans in the Southwest, which may have been against export sales, but not much attention was paid to this factor. Milling demand is still slow and of very modest proportion. The weekly corn and wheat weather bulletin stresses dry soil conditions almost everywhere.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 October 1, 1952.

Before the war we raised only moderate wheat crops, and therefore, could never have exported the large quantities which have been possible since 1944. In the ten-year period 1931-40 the average wheat production in this country amounted to only 740 million bu, and at that time we were consuming 677 million bu. So it is quite obvious that no large reserves were built up, except in years when extraordinary yields were obtained. Of course, during this period we also had the drought period from 1933 through 1936, and for four years we were actually raising less wheat than was consumed, so our calculations are not quite as accurate as they would be if taken during some other period. In any case, the facts are there, and there were several years when we imported rather heavy amounts from Canada to meet home requirements, but nothing of that type has occurred since. It is well sometimes to reminisce a little, particularly when we view the extremely dry situation over many parts of the country, especially in Nebraska, Kansas, Oklahoma, and Texas, because from all reports wheat is going into the ground under very unfavorable conditions, and bumper crops in most periods are just as rare as are failure ones.

It is also interesting to note that while our domestic consumption in the prewar years was 677 million bu, there has been no great increase, in spite of the much larger population at the present time. The government now figures that 700 to 725 million bu will be consumed again during the current season, with not much change in the amount used for feed or seed from the prewar era, but some increase in wheat for food. Even if a poor crop is harvested next summer, it would not necessarily affect the lives of our people inasmuch as the carryover reserve on July 1, 1953 is expected to be about 550 million bu. This is about as much as was raised in 1933 for both winter and spring wheat, and actually more than we harvested in 1934.

When our market opened this morning wheat was influenced by reports of some export business. Late yesterday Brazil bought 65,000 tons of Gulf hard winters for October 20th shipment through November, and also 70,000 tons of Manitobas. Ordinarily, business of this kind would be handled from Argentina, but due to their small reserves North America seems to be getting the business. Corn and beans were influenced by the fine weather, and a good many of the processors are gradually filling up, some of them are going a little slowly now that meal prices have receded. Broomhall reports that rain has fallen in a number of sections of Europe, and this has interrupted plowing and even harvesting of some late crops, but has further improved the seedbed for fall grains. Moisture supplies are now abundant in a number of countries, and a period of dry weather is needed to facilitate field work.

The Board of Trade operated under difficulties due to a strike on part of the elevator operators in many downtown buildings. today. This made it a little difficult to get all the statistics which we needed, but they seemed to be of little importance, and the Directors of the Exchange voted to close early in order to facilitate clearing operations.

After mid-session markets became a little stronger, there was some buying of soybeans, and also some short covering of wheat, possibly due to dry weather conditions and lack of pressure. Corn likewise rallied rather substantially, and there was no special news; in fact, reports from the growing areas continued to be extremely satisfactory. The flour demand showed no pick-up, and current bookings are only running about half of mill capacity;there is no immediate outlook for improvement.

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CHICAGO, 4 October 2, 1952.

Last year our export sales in wheat were extremely large and clearances, while not quite reaching the level of 490 million bu in 1947 and the 506 million bu in 1948, did, nevertheless, come very close to those records. That was probably one of the reasons that our carryover reserve was cut rather drastically on July 1st of this year. While we admit that other factors might become of greater importance, such as the dry conditions in the Southwest, it is probably too early to figure at this time that we are going to have a failure crop next summer in the winter wheat districts, but yet one has to heed both private and official reports that are all stressing the seriousness of the situation.

For the time being we are taking a rather conservative attitude in the hope that weather may still improve, and if this is the case we may have to rely again on heavy exports during the next nine months of the crop season. The government has just come out with the October allocations, and has scheduled 39 million bu of breadgrains to be cleared this month, and about 30 million bu for November. This would compare with actual clearances a year ago of 33.5 million bu for October, and nearly 39 million bu for November, at which time we were doing a very large business. To merely set the goals does not necessarily mean that they will be met and, therefore, it behooves those in the grain trade to watch carefully the European demand and also the quantities that may be destined for Asia in the period ahead. Last season, contrary to the usual scheme of things, we reached the heaviest shipping period in March, when nearly 53 million bu wheat and flour was placed afloat , but, of course, that was at a time when Southern Hemisphere had little to offer, and even Canada was handicapped for the reason that such large quantities of grain were left in the fields during the winter months. There is also a rather energetic program for coarse grains and oilseeds with the government figuring on 13 million bu of these to be exported during October, and about 16 million bu in November. From October through December it is figured that Brazil, Germany, and Japan will probably receive the largest quantities of grain, but there are other countries for which substantial offerings will also be undertaken, with Belgium, India, Italy, The Netherlands, and the U. K. probably figuring in a rather important way.

When our market opened this morning prices were firm and undoubtedly the reports of continued dry weather are having an influence. The Sante Fe crop report spoke of about half the acreage in Kansas being completed, although somewhat higher in the western part of the state where "dusting-in" had been common. It is either a question of curtailing the intended acreage or going ahead with it on the chance of later improvement in weather. The same holds for Oklahoma and many of the other states, although there were a few showers recently in scattered sections of the northern and eastern sections of Oklahoma, but no general relief throughout the wheat belt, and the western half of that state is still dry. Texas, as we know, has gone through an unprecedented hot spell, which has further reduced crop prospects and could make the fourth poor crop in succession.

It is reported that Belgium had bought a small quantity of corn but the U.K. took Manitoba wheat in preference to ours, and it appears likely that they will buy more fromCanada for the balance of the season than from us, which is not an unusual occurrence, and the shortage of dollars continues to be an important element.

Primary receipts of wheat were 1,240,000 bu compared with 1,431,000 bu last week, and a little over 2 million bu last year. Kansas City and Minneapolis stocks so far this week show a net increase of 88,000 bu.

Our market was again rather dull, but whether this can be attributable entirely to the elevator operators' stike in down-town buildings is difficult to say. There is not much incentive in corn at the moment, with crops looking so well and picking ready to start in some localities; also some of the processors are filling up with beans, and apparently the country must have sold more liberally than Chicago receipts would indicate. In fact, one processor even want into Minnesota and will bring those supplies presumably to Decatur.

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CHICAGO, 4 October 3, 1952.

The five-day weather forecast does not suggest any moisture to speak of in most of the grain areas. While present weather conditions are ideal for corn and beans, more concern is being expressed with reference to dryness throughout the Southwest, and even in the Pacific Northwest. The continued lack of substantial rains and the occurrence of much unseasonably warm weather have increased the moisture deficiency that has retarded soil preparation, seeding, germination, and growth of small grains over the greater portion of the country. One of our men who has just returned from the Panhandle area of Texas reports that lots of wheat land is being prepared but they are waiting for rains to do the sowing, although some acreage is being planted in the dust. Whether or not a full acreage can be planted to winter wheat will depend on weather conditions during the next sixty days.

Today we were furnished with the private estimate of Clarence Galvin, as of October 1st. The report indicates an improvement in soybean and corn outturn over the past thirty days. He gives the indicated yield of corn as 3,215 million bu, which is 30 million better than the last government report. On beans his estimate is 285 million bu, or about 9 million bu greater than the government report of September 1st.

According to Broomhall the wheat prospect in the Argentine is excellent and while crops are now entering the critical growing period, if there should be no serious reverses, it appears that yields not only of wheat but for other grains will be well above normal. There has been a decided increase in the wheat acreage, although somewhat under two years ago, but according to present prospects that country may have an exportable surplus around 100 million bu, which would be quite a turnabout, as in the current year Argentina will be a net importer of wheat. Corn seeding is in full swing, and the officials are exerting every effort towards a sharp increase in corn plantings. With favorable soil conditions it appears that a fairly good expansion in acreage will be realized. The same source reports that dry weather in India is favorable for harvesting of native fall crops but is delaying feeding of spring grain, and it is at this time of year that rains are important to that country.

Sanford Evans estimates that, as of August 1st, the carryover of old wheat in Canada, the United States, and Australia amounted to 418 million bu --that the crops in the four exporting countries, including the Argentine, amount to 2,343 million, making total supplies available of 2,762 million against home requirements for food, seed, etc. of a billion bu. This would make available during the present crop-year about 1,747 million bu for export and carryover on August 1, 1953. As of the week ending September 27th, he places exports of wheat and flour from the U. S. at about 52 million bu since the 1st of August vs 82 million a year ago, while Canada has shipped about 59 million bu vs 44 million in the same period

Primary receipts of wheat totaled 1,165,000 bu compared with 1,283,000 bu last week, and 2,510,000 bu on comparable day of last year. So far this week Minneapolis and Kansas City stocks show a net increase of 36,000 bu. When the visible supply of wheat is posted on Monday it will compare to an increase last year of 77,000 bu.

The only export business reported so far today was in Manitobas, nothing in U. S. wheat. During the session several messages were received from Kansas about windy and dusty conditions, and this imparted some strength to wheat, although, according to The Southwestern Miller, the flour demand is as poor as at any time on the crop, with trade apparently unwilling to rebuild contract balances at current levels. Processors were more actively interested in beans today, and we understand some distant sales of meal for January and later delivery were mad at the full ceiling price of $87 a ton. Later in the session there was short covering in wheat on part of locals, and local buying in the bean pit.

The Chicago Board of Trade is still operating under short hours due to labor difficulties, the end of which is not as yet in sight.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 6, 1952.

There was no moisture over the week-end and rather low temperatures prevailed, with a heavy freeze through most of the corn territory up to the Ohio River Valley. A great deal of attention is now being paid to moisture deficiency which has retarded seed and growth of small grains over the greater portion of the country, principally in the Pacific Northwest, the Great Plains, and much of the Mississippi and Ohio Valleys. There has been some "dusting-in" of seed in Kansas, and according to the PMA planting was nearly completed in the western sections. While no two seasons are exactly alike, it is interesting to refer back to other years. The conditions which prevail now are somewhat similar to the fall of 1939. According to the USDA, their general crop report of 1940 mentions that unusual extremes of adverse and favorable conditions characterize the growth of the 1940 wheat crop. Much of the acreage in the Great Plains states was seeded in dry ground and seeding operations that were deferred awaiting moisture were continued into January, February, and March in parts of this area. Both the "dusted-in" fall seedings and the acreage seeded late came into the spring with poor and uneven stands and inadequate root systems. In many instances the wheat had not sprouted or had not appeared above the ground by early April. The situation was very unpromising until late spring when weather was completely reversed by ample and timely rains. The seeded acreage for the 1940 crop was approximately 45 million acres vs about 50 million last year. In December 1939 the first estimate of the 1940 winter wheat crop was placed at 399 million bu; in April it was given as 426 million bu, and each month steady improvement was shown in crop prospects, so that the final yield amounted to 589 million bu.

The USDA reported that during the week ended September 30th, Commodity Credit Corporation confirmed sales of 5,369,000 bu wheat and wheat equivalent under IWA agreement, and that the accumulated sales since the opening of quotas for this year totaled approximately 84.5 million bu. This would compare with about 101.4 million bu for the same period last year.

The Northwestern Miller points out that heavy and apparently unwanted supplies of soft red wheat are hanging over the Chicago market and that so far the USDA officials are at a loss to find a home for the commodity. Formerly when the grain export program was under government financing, it was possible to force sales of soft red wheat; however, most importing countries are now using free dollars and, therefore, prefer to buy higher quality grades, although it is thought in some quarters that Pakistan may be in the market for 50,000 tons wheat every month during October through December this year, and it is hoped that possibly it might include substantial amounts of soft red wheat. However, some measure of uncertainty exists regarding shipment of this wheat, as under the original provision of ECA there was a requirement that 40% of either ECA or MSA financed exports must be handled in U.S. flagships.

According to The Southwestern Miller there is no activity in export flour markets and only small quantities are being sold domestically. It is believed that Germany will be in the market for 6 million bu wheat within the next couple of days, and the inquiries may include all types. At present it is impossible for exporters to offer gulf wheat within the IWA maximum for December or beyond.

Primary receipts of wheat today totaled 2,364,000 bu vs 2,568,000 bu last week, and 1,521,000 bu comparable day of last year. When the visible was posted, wheat showed a decrease of 870,000 bu, bringing the total to 271 1/2 million bu, or approximately 64 1/2 million bu larger than a year ago. Chicago stocks of wheat decreased 236,000 bu, leaving 17,100,000 bu in this market. Other changes were not of great consequence, although beans increased 820,000 bu.

There did not seem to be a great deal of outside interest in our markets today, earlier there was some buying of wheat apparently against flour business, but it was not much of a factor. Beans showed more independent strength, although news seemed to be lacking, and there was apparently more short covering than in any other futures.

The strike of the building elevator operators was settled this morning, which permitted the resumption of normal trading hours.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 October 7, 1952.

During major political campaigns many promises are made by both sides, and fundamentals are very often overlooked. How much of our so-called economic gain has been of a permanent nature still remains to be seen. The total of all type of non-government debt increased last year by nearly $31 billion, and for the five-year period ending December 31, 1951, increased almost $122 billion. During the five-year period the increase in purchasing power of personal disposable income amounted to $48.6 billion, but there was an increase during that period of $59.4 billion in personal debt of all nature. Therefore, the increase in purchasing power of the personal disposable income has been a matter of borrowing money. There is no doubt that increased borrowings may have somewhat improved the standard of living of the individual, but the fact cannot be overlooked that the debt has to be repaid, and that we are merely mortgaging our future earnings and some where along the line the personal and probable earnings of future years will become less effective as the debt of the past five years is repaid. Furthermore, the purchasing power of savings is less than it was five years previous. The fundamental weakness of a planned economy program is that claims on future wealth are multiplied, and at the same time the creation of new wealth is restricted by heavy taxes and the retarding of the flow of fresh capital into new enterprises, and eventually in the purchase of tools and equipment to provide new businesses and increase living standards.

As one economist has pointed out --planned economy is being sold to the American people by bribing pressure groups with subsidies on the theory that they are getting something for nothing.. This applies to farmers, as well as to other segments of our society, and some day it will dawn forcefully on the citizens of this country that a planned economy cannot operate in a free society as it involves complete compliance by all and no criticism of those in power, Alfred Edwards, former Socialist Member of Parliament, stated last spring: "The Socialists' dream of getting something for nothing has been completely falsified and we are back to private enterprise as the only means of enriching the nation or the individual." After the backlog of wealth has been distributed in an attempt to make an abundant life for all there is nothing left then but to let the poor bear the brunt through taxes in order to provide for so-called social services and gains which were promised. In 1929, federal expenditures, excluding debt payments and tax refunds, were about equivalent to the aggregate net income of all individuals receiving $150,000 and over a year. For the fiscal year ended June 30, 1952, federal expenditures were more than the aggregate income, after taxes, of all persons receiving $5,000 or more. Government expenditures of all kinds now represent 31% of the national income.

Primary receipts of wheat today total 1,662,000 bu vs 1,919,000 bu a week ago, and 2,611,000 bu the comparable day of last year. So far this week, Kansas City and Minneapolis wheat stocks show a net increase of 44,000 bu.

There was very little grain news overnight. The five-day forecast suggested moderation in temperatures but no moisture in sight. Despite continued dryness in the Southwest, not much interest is being expressed in wheat, and it seems for the moment that the red wheat situation overhangs the market. Red wheat at the Atlantic seaboard is considerably cheaper than hard wheat at the gulf, but despite the differential importing countries seem to elect to overlook the cheaper varieties. There is at present a 9¢ preference subsidy for the gulf over the Atlantic, and were this not the case the red wheat might be looked upon more favorably.

We understand from the East that Turkey is making great effort to sell her surplus wheat. Many of those in exporting circles believe it will be difficult for the U.S. to export much over 300 million bu wheat, as prospects have improved in the Argentine. France will not be an importer and could export; also, India should take much less of our wheat.

According to the Southwestern Miller extreme dullness prevails in the flour trade with inquiries very limited, and there seems to be a gap between buyers' ideas on values and the actual cost. New corn is being offered a little more liberally from the country, and with favorable weather there should be a decided pickup in offerings in the near future.

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DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 October 8, 1952.

There is great interest in oat futures, with an open interest of 106 million bu in Chicago, which, although very large, falls short of the record on February 5, 1925, when it was 114,327,000 bu. Interest no doubt is created because of the large current disappearance in the U. S., which last year was estimated by the government at 1,387 million bu, and only slightly smaller for each of the preceding years, while this year's crop is estimated at 1,263 million compared with 1,316 million a year ago. However, to make up the shortage between production and consumption, we have been importing from Canada, which has kept our carryover figures at the end of the year at a high level. Last July 1st we had a stock of 282 million bu, which was down from 291 million in 1951 but up from 210 million bu in 1950. Normally primary receipts, which consist of oats received in a dozen central states and midwestern markets, run between about 100 and 150 million bu a year. Last season from July 1, 1951 through June 30, 1952, the total was 112 million bu, but included in this was 17 million bu oats received by lake in Chicago originating in Canada, thus indicating a smaller than normal domestic movement of oats from the farms. The year previous primary receipts were 104 million but included over 7 million bu Canadian origin oats received by lake in Chicago, indicating about the same domestic farm movement as last year. During these two years total imports of oats into the U. S. were 61 million bu and 30 million bu respectively, but we imported about 19 million bu each of the two years earlier. Oats are largely imported intothe eastern states to fill the feeding requirements in deficit grain growing areas. Obviously, when we are on an import basis from Canada our exports are small, last year and the year before running about 3 1/2 million bu each, but prior to that between 10 and 20 million bu for a couple of years.

There has been a very good consumptive demand for imported oats, not only to make up for reduced farmers' selling but also to provide feed for our increased livestock and poultry production. This year there is a potential additional market in the south as a result of the severe drought in both the southeastern and southwestern states. Since thestart of the crop season July 1st, primary receipts this year have been 54 million bu and about 3 million bu of this has come from Canada to Chicago by lake. Up to this time a year ago primary receipts were 49 million bu.

Chicago has a stock of about 9 3/4 million bu oats, of which about 9 million are contract grades in deliverable position. Through importations Chicago has maintained a relatively sizeable stock of oats for some time but there has been a rather constant demand for these oats to be shipped to consumers.

It is anticipated in view of the continued heavy marketing of oats by farmers in Western Canada and the apparent selling policy of the Canadian Wheat Board that there will be liberal supplies forthcoming from that country. While there were large amounts of oats contracted earlier in Canada for apparent shipment to this country for consumption, the present nearby position price is relatively higher than our futures market but more in line with our cash oats selling at a premium over the futures. Later positions during 1953 shipping periods are indicated by the present prices between Winnipeg and Chicago to be equal to the costs involved in the international movement. This probably accounts for aportion of the open interest in Chicago futures and is an indication that our consumers and feeders will be assured of continued supplies of oats to carry on their operations. We believe it also indicates that there will be a stock of oats in Chicago from which to make shipments, and also it seems likely that it will cause carrying charges to prevail between delivery months.

Broomhall reports that conditions in Europe are favorable for plowing and seeding over most of the Continent except some areas where too much moisture has been received and where work is being held up. However, the moisture is providing a fine seedbed and with clear weather it is expected that rapid progress will result. In the U. K. weather is favorable; after a period of heavy rains a dry period is now wanted in France before the extensive selling of winter grains. Western Germany has enjoyed good moisture, while in Italy seeding of winter grains is making rather slow progress, despite good weather and soil conditions, with farmers awaiting government action on their request for a higher wheat price. India, particularly in the northern areas, is badly in need of rain, while in the Argentine good rainfall has maintained favorable conditions and a large acreage is anticipated for corn.

Primary receipts of wheat were 496,000 bu compared with 675,000 last year.

Stocks of wheat in Kansas City and Minneapolis show a net increase of 12,000 bu, so
a result of a reduction in stocks in Kansas City and an increase in

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 7-6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS GRAIN EXCHANGE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, 4 October 9, 1952.

Government expenditures of all types now represent about 31% of national income. Thus it should be of the greatest interest to every American to see that the money is properly spent and that wastage everywhere is eliminated. We appreciate, of course, that defense expenditures must continue and that the interest on our debt has to be paid, but certainly the government could deflate its disbursements by eliminating activities and disposing of enterprises that do not come under the essential scope of their functions. For example, the lending authority of federal agencies exceeds by several billion dollars the total amount of outstanding loans by all commercial banks. Some of these agencies may be performing a useful service but others have certainly long outlived their importance and should, therefore, liquidate as the extension of credit is certainly not a proper function of government except in the case of extreme emergency. Our government owns about one-fourth the total land area of the U.S. and surely large portions of their holdings could be sold to private individuals who might then convert them to productive use. There are many projects that are now owned or controlled by the government that could be thus transferred and made revenue producing instead of a tax liability. We know that some people feel that if all this were done it would throw a good many people out of employment, but more than 500,000 workers leave the federal service each year for one reason or the other and could probably find remunerative jobs if private business were encouraged as it was formerly under our free enterprise system.

When our markets opened this morning wheat was influenced by a little better milling demand overnight, also a government figure showing that 262 million bu wheat had been impounded by mid-September. Chances are if these figures were brought up to date we would find that over 300 million bu had been taken out of commercial channels, and the longer prices remain low, the more likely it is that we shall have a record quantity impounded. Beans were inclined to be weaker, with some processors selling futures and pressure from first hand continued. The farmer has a large investment in beans. While it is a comparatively new crop, it is now the fourth in money value of all U.S. crops, and even though the number of bushels is smaller than that of other grains, the high price contributes a great deal to the over-all income. As one of our friends points out, soybeans for centuries were next to rice, the most important food cereal in the Orient. We passed them in quantity production in 1951, and in addition to the market value of some $750 million, there is a huge acreage that will be used for hay and for plowing under for soil enrichment.

Yesterday's cotton crop report is still being remembered, and because it showed heavier production than was generally anticipated, it is regarded as somewhat bearish on the bean market for the time being, although later on, prices should firm as the country movement has passed its peak, and gradually we are bound to make inroads into the accumulations.

Primary receipts of wheat today were light and amounted to only 935,000 bu compared with 1,240,000 bu last week, and 2,271,000 bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 51,000 bu.

Trade was rather moderate, and there was no special feature except that in beans the basis was weak, and spot #1 yellow beans of Illinois origin sold at 5 1/2 under January delivery. We understand that elevator firms were buying to-arrive beans as low as 6 to 7¢ under the November, Chicago basis. This apparently means that for the time being processors have satisfied their requirements, and it may take a little time before the situation improves.

Corn was also under some pressure. There was persistent selling of December by an elevator concern, and this more than offset investment buying which apparently was on a scale down.

We hear from Canada that weather conditions were perfect in the west and harvesting was progressing in all areas. A great many country elevators are now filled to capacity, and grain was being dumped on the ground, with apparently no space to accommodate it. At home flour business was dull, and only occasional lots are being sold, but buyers still continue on their meager basis, all of which means there are not many hedges being covered at this time. As for export trade Canada seems to have taken the lead and has deprived us of what small demand had existed heretofore. The CCC inventory of corn was 300 million bu the end of Augus down about 9 million bu from the preceding month. There also was 12 million bu resealed or under process of liquidation from the 1948-49, and 50 crops, as well as 11 million bu of 1951 crop still classified as under loan. The wheat inventory

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CHICAGO MERCANTILE EX.

CHICAGO, 4 October 10, 1952.

During any Presidential Campaign it is quite natural for candidates of both parties to talk of farm supports and the benefits that have been achieved through high agricultural income. It is unquestionably true, however, that hidden costs of the farm price support program will run into many billions of dollars, and it is also probable that such costs greatly exceed the direct government payments under the support program. By far the most important of the hidden costs is the higher cost of living, which results from artificially high prices at which farm products and foods are being maintained. For a year or more the retail price of butter might have easily averaged 10¢ a pound lower than it did if the government had not been buying. Thus this one item alone might have cost the U.S. non-farm consumers in the neighborhood of $140 million a year in addition to the direct government costs of $70 million in 1949, when they purchased 115 million pounds. In view of the marked gains in farm technology, and increased outputper farm worker as a result of better equipment, etc., it is reasonable to believe that were it not for government price supports, present average wholesale level of farm products and food would not average more than 75 to 80% above the 1940 average, and, of course, food is an extremely important item when the American families are spending over $50 billion per year, so that even a reduction of 15% in the average retail price would mean a saving of $7 1/2 billion per year to U.S. consumers.

By the same method of calculation clothing costs might be reduced if it were not for the maintenance of cotton and cotton linters at artificially high levels. Since U.S. consumers are spending about $18 billion per year for clothing, the added cost due to farm price support programs may be close to a billion dollars. Food and clothing are the principal items affected but certainly there are many other manufactured products whose costs are boosted to artificial levels. It would appear that the total added cost to non-farm consumers as a result of farm price support programs must be in the neighborhood of some $10 billion per year at present price levels.

When our market opened this morning there was not much to guide it. The country was not offering beans on too liberal a scale, and it is generally believed that while we may have a week or ten days when some pressure will still be felt on markets, later on there will be a healthier situation developing, and for this reason there appears to be some speculative buying on setbacks. Even wheat seems to be a little firmer on the possibility that 400 to 450 million bu may be impounded, in which case a good part of the carryover reserve will be in government hands. There was some hedging of corn this morning but generally speaking the quality of the crop is excellent, and we hear in many cases that new cribs are being installed so that undoubtedly there will be a holding tendency a little later in the season. The government report which is expected after the close of the market should not show any great surprises, although a larger corn crop probably than had been estimated a month ago. However, the figure will probably not be much greater than the amount that will probably be consumed in the current season.

Weather is still extremely dry everywhere and the five-day outlook for Kansas, Oklahoma, and Nebraska is for precipitation below normal, with only a few showers indicated in Nebraska and northeast Kansas. Possibly some scattered showers in eastern Missouri and in the northern portions, but no real relief yet indicated.

Primary receipts of wheat were less than a million bu, which was somewhat smaller than last week and a year ago there was a holiday. Kansas City and Minneapolis stocks so far this week show a net decrease of 272,000 bu. When the visible supply is posted on Monday it will compare with an increase in wheat last year of 829,000 bu.

All corn futures made a season's low while oats and rye were not far above the previous lows. Wheat, however, held comparatively well considering the declines in other pits, and undoubtedly the dry weather, as well as the heavy impoundings, are now a factor. When we look at the amount of wheat placed under the loan in the Central States it is less than 15 million bu impounded East of the Mississippi, and this accounts for the relative weakness in Chicago as compared with Kansas City and Minneapolis markets. Beans were lower, which was not unexpected considering that meal has had sharp declines and the nearby future is now lower than the ceiling levels before OPS permitted an increase.

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DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 14, 1952.

After the close of the market on Friday the October crop production figures were published. There was an increase in corn, the latest estimate, indicating a yield of 3,256 million bu. Most people in the trade make the comparison only with the year before when we raised 2,941 million bu. Thus, they point out that there was an increase of 315 million bu, which more than offsets the reduction in the carryover reserve from the year before. Chances are we will have about 500 million bu of corn on hand at the start of the season; therefore, there will be no great shortage, but on the other hand, we are consuming very much more than we did when our population was smaller and when people were eating less meat. For example, during the ten years prior to the war our corn crop averaged only 2,339 million bu, so this year's crop is 917 million bu greater. Still there is no fear of an over-supply, and as we have pointed out in previous letters, if we ever reverted to the low yields of 1940 and before, it might be a catastrophe in the country, and would mean great curtailment in our eating habits.

The government report shows no surprise in wheat; in fact, production of the spring crop was hardly increased. The only other interest centered in soybeans, and a yield of 286 million bu is in prospect, which is quite an improvement over the September report, and is indeed a record with one exception comparing with last year's crop of 280.5 million bu. When we consider that before the war the average soybean crop was only 42 3/4 million, we can see that here also we have come a long way, and indeed we could not revert to the time when small crops were the order of the day, because it would mean a tremendous change in our feeding habits.

When our market opened this morning beans were influenced by hedges that found their way into the pit, and pressure around this part of the country was fairly heavy, and in the Missouri area farmers had also been selling rather freely, and the offerings of corn during the holiday period had been quite large, so that our market also found itself subjected to selling from that source. There were 600 cars of corn estimated in Chicago today of which only 33 were for the Commodity Credit Corporation, and apparently the government is not pressing its supplies at the moment.

Weather in the Southwest continues dry, and while a few rains are indicated for central and eastern portions of Kansas and Nebraska there seems to be no promise of relief for Oklahoma and Texas; in fact, the five-day forecast is not hopeful. Therefore, wheat is still in a comparatively different class from the feed grains, particularly as the movement is over, and even now farmers are not selling on any large scale, with the result that we can probably figure on very heavy impoundings before the season ends. Some are estimating that more than 450 million bu of wheat may go into the loan, and that, of course, could easily give us an artificial market later on.

Stocks of wheat in Chicago increased 211,000 bu during the past week. This is occasioned by the transfer of wheat from an elevator in the city not counted in the Chicago stocks, to one of the regular elevators. There is in excess of 17 million bu of wheat held here, and as prices of red wheat are cheaper east of us, the chances of heavy shipments from this market are not likely until there is a better demand for eastern held stocks. This would most likely have to come from exports of red winter wheat, but exports from the Atlantic have lagged materially against hard wheat varieties at the Gulf, despite the fact that red wheat would cost the importer 20¢ per bu less after all considerations for ocean freight and government IWA subsidy.

Chicago stocks of corn decreased about 10%, leaving 4 million bu here, but coming just prior to the crop movement, stocks will increase later. However, until recently there was not much corn bought ahead from country sellers but the pace quickened in the last few days.

Chicago had only a small decrease of 68,000 bu of oats, leaving us with a stock of 9,722,000 bu. It is expected that prior to the close of navigation on the Great Lakes that additional oats will be shipped here, and meanwhile there is a good supply for commercial purposes.

Chicago stocks of soybeans increased over 1 million bu during the week to 2 million bu total. Current arrivals are heavy and are likely to continue for a while. Last year we shipped about 1 1/4 million bu of soybeans down the Lakes during the fall months, and it is expected that shipments of this nature will be about equal this year. It appears, therefore, that the regular elevator stocks of soybeans will be of moderate size during the fall and early months. UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 15, 1952.

Last year Canada was considerably handicapped in shipping wheat abroad owing to the fact that winter weather set in so early, and a good deal of the grain was left in the fields; in fact, for a long time it was a question whether it could all be brought in satisfactorily without damage to quality. Since last April they have had almost perfect weather in that country with the result that not only was the wheat, but also the oats and barley, saved from inclement weather conditions. On top of that they had a record wheat crop of 675 million bu during the summer. Supplies of such magnitude have given them a total stock of 888 million bu, with a reserve from previous crops amounting to 213 million bu. When it is considered that only about 150 to 160 million bu is consumed at home, it is quite obvious that the amounts available for export and carryover are tremendous, and we think about 730 million bu is the figure upon which we can now make our calculations. Shipments from the lakehead will be substantially larger from now on since the congestion in Montreal is being relieved, and as soon as this occurs the railroads will undoubtedly step up the movement from country elevators, and as we have pointed out repeatedly, competiton from Canada is bound to be a big factor during the next nine months. The latest available estimates indicate that supplies of wheat remaining on or about September 1st in the four major exporting countries for export and carryover at end of their respective crop years amounted to approximately 1,543 million bu, which is 23% greater than the 1,253 million bu available last season.

Thus there is nothing very bullish in the statistical news, particularly since European crops have turned out fairly well. According to Broomhall, rains have fallen in a number of sections over most European countries, which is quite contrary to what we have had here, and a period of clear weather is needed. Heavy rains in France have held up harvesting of late crops and have also delayed preparation of soil for winter grains. The same is more or less true in Italy, and wet weather has had an adverse effect upon fall planting. Conditions in Australia are still very spotted, and at best they are only going to have a poor crop, but the outturn in Argentina could easily be in the neighborhood of 220 million bu. Even assuming that 120 to 125 million bu will be needed at home, it would still leave an exportable surplus of close to 100 million bu. Negotiations have been under way with Brazil for the sale of wheat to that country, and Japan will also take some Argentine wheat, which is quite a different story from the season before when a crop failure necessitated imports into Argentina, which is an unusual affair for any country that is essentially in the surplus column.

There was some nice rain in central and southern sections of Illinois and Indiana. This apparently has delayed the movement of corn and beans, and offerings to Chicago and elsewhere were lighter, but the writer was in Ohio yesterday, meeting with some seventy-five grain men in that section of the country, and they were all busily engaged taking in large quantities of corn and beans. At the moment processors seem to be fairly well filled up; so it may take time yet before the first movement is absorbed. There were some phenomenal yields of corn being reported over many sections of the country, and certainly it is impossible even with the fine quality of the crop for the farmer to hold all his corn and beans, so that for a time at least we are bound to have some pressure. With clearing conditions likely resumption of offerings are expected shortly.

It still remains very dry Southwest, and there is no hope for immediate relief, with Texas and Oklahoma probably faring the worst owing to the prolonged drought, so that later on this situation might attract more attention.

Statistics did not count for much but the fact that pressure on markets was lighter gave some encouragement to buyers and continued dry weather in Kansas is certainly unfavorable for the winter wheat crop. Additional acreage has been seeded in most parts of the state with the greatest activity in south central and southeastern counties. It is claimed that about three-fourths of the intended acreage has been seeded but most of the recent planting was in dry topsoil and in many cases farmers are awaiting additional rainfall before resuming operations. Some early planted wheat is up to good stands in the western part of the state, but generally speaking the plant is thin and uneven. Beans showed further recovery early but advances failed to hold. There was no spirited buying; in fact, trade generally was rather light. We have nearly 10 million bu contract wheat in Chicago, of which 9 million bu includes No. 2 red winter wheat. This seems to be responsible for a widening tendency in the carrying charge from December to May. Oats which were strong yesterday were weak today. Late selling in grains was in sympathy with stocks.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 16, 1952.

Inflation, which has caused such distortions to people's thinking, both with respect to prices and wages, sometimes brings about illogical conclusions when comparisons are made with prewar days. The Searle Grain Company Ltd., of Winnipeg, calls attention to an editorial that appeared recently in one of the Canadian papers, in which mention was made of the wonderful merchandising job by the government agency, the like of which was never done before. The editorial concluded that if the Winnipeg Grain Exchange and the Chicago Board of Trade had been operating without restrictions, the type of crop raised last year would have spelled ruin for farmers. Of course, we do not agree. There is no doubt that the Wheat Board did an excellent job last season of merchandising 356.0 million bu wheat, but to mention this accomplishment without drawing attention to the fact that in 1928-29 by use of the open market Canada had marketed 407.6 million bu, actually at a higher price in real money than was obtained from 1951-52 season wheat under government marketing. The Searle people call attention to the fact that the cost of production and living by Prairie farmers, according to the Dominion Bureau of Statistics, was 228.8 compared with 100 in 1935-39, so that actually a price of $1.85 per bu at the present time is equal only to 81¢ a bu, as compared with the $1 per bu money of the same purchasing power that was paid to farmers in 1928-29, under the open market system. It should further bestated that in that period the prices obtained were achieved without assistance from Marshall aid dollars to overseas buyers.

We were naturally influenced this morning by a somewhat bearish carryover feeling from yesterday. Prices here had been affected by lower values for securities, and in fact, yesterday new lows were established for 140 stocks traded on the New York Exchange, which was indicative that a more deflationary attitude has developed. Apparently there is some doubt as to whether business will continue on the same high level as heretofore. A good many people have been questioning whether industry could continue to pay higher operating costs and still show the handsome profits after payment of taxes as for the past several years when corporate earnings had been so very optimistic. There was also the feeling that since a good many of the processors had bought beans aggressively at the start of the crop movement, there might be some little hesitancy as a good many companies have filled up their capacity, and with offerings from the country continuing at least on a fair scale, there seems to be a poorer demand for beans, at least for a period. Corn is in possibly the same category, although there are some offsets, particularly as export business is likely to some European countries that were affected by adverse weather after the wheat crop had been harvested. Furthermore, with a farm loan of $1.60 per bu there could be more or less of a holding tendency, even admitting that producers cannot cling tenaciously to all of their wheat, corn, and beans which have been raised in this year of heavy production. We note that around $1.70 for May corn there is a little more speculative enthusiasm by those who are willing to bide their time in the hope that later on country offerings will diminish, and as a matter of fact, not many people are looking for heavy receipts for more than three or four weeks at the outside.

There is hardly any CCC corn in Chicago receipts, but apparently the government is not trying to offer additional competition at this time. The Chicago corn hog ratio for the week ending October 11th was11.2, a slight reduction from 11.5 last week, but a ratio of 11.3 last year.

According to Broomhall U S wheat and flour shipments for the week were 5.4 million bu, and since July 1st 83 1/2 million compared with 125 1/2 milliona year ago. The government recently stated that we might not ship over 175 million during the first six months of the crop-year, and others who are actively engaged in the export trade doubt whether for the season we shall ship more than 300 to 325 million bu for the entire twelve months.

Up to last weekend it was estimated by the state agency that about one-fourth of the Illinois corn acreage had been harvested, and except for some rain Monday to cause interruption this can continue. From reports we received it appears to be the intention of the farmers to fill their cribs, after which undoubtedly there will be corn sold from the over-flow, and except for this producers intend to be reluctant sellers. We believe the same condition prevails in Iowa where, however, only 7% of the crop was harvested up to last Saturday. Because of the immensity of that state's crop they are likely to have a greater surplus, and pricewise we hear of trades that would permit buyers to ship corn to Chicago on a favorable basis in relation to the futures.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4Oct. 17, 1952.

The federal government's cash outlays during the second half of this year will exceed its receipts by almost $8 billion. Very often when we have had a deficit of this size in the past it exerted powerful upward pressure on the economy of the country. Many economists feel that this will not be the case at the present time because the methods used to finance the federal deficit will cause considerably less monetary expansion than resulted from comparable deficits in the past. Moreover, the deficit occurs in an environment of ample supplies of most goods. We have seen that, despite the steel strike we have caught up pretty well in the demand for products, and certainly in the grain field there are no shortages except that more concern is being given now to the possibility of a shorter wheat crop next season if the drought in the Southwest persists. We have had a prolonged period with little or no rain in Kansas, Oklahoma, and Texas, and, indeed, the drought areas have also extended to other parts of the country, although in the Southeast there has been some relief. The five-day weather outlook shows no likelihood of rainfall, and even in Missouri precipitation will not be of any consequence.

According to one authority prospects for the 1953 wheat crop are the poorest in thirty or forty years in western Kansas. This comes from a former Dean of the Kansas State College. He points out that in a twenty-six-year study wheat yields have been dependent on depth of moisture and on that basis present indications are for a rather modest crop next season except that where the wheat crop was dusted in, there was virtually no wind erosion. The same authority anticipates no return of dust storms of the 1930's. On the other hand, pastures have been grazed extremely close and there will be very little wheat pasture this season, so that feed supplies from that source will be poorer than many other years. For quite a while now we have been calling attention to this situation, and not too much attention had been paid to it until yesterday. In fact, December wheat has been hovering pretty close to the low point of the season, and with the large amounts of red wheat that were raised this year, and a large part concentrated in Chicago, there has been a widening tendency of the carrying charge that to some extent has discouraged speculative buying. Up to the present time the large impoundings have not had too much influence on the market except in Kansas City and in Minneapolis for the reason that at those points farmers have availed themselves more of the loan.

Our market was also helped this morning when it was reported that U K had bought a cargo of corn and Holland apparently had done the same, so that hedges were lifted, and at the same time pressure from the country was not particularly large. A good many people downstate are of the opinion that the movement will last only for a few weeks and that later on country offerings will become very light.

Broomhall reported this morning that France had sold 50,000 tons wheat to West Germany under IWA contract, also 7,000 tons oats and 1,500 tons rye. Local elevators in that country have become congested and deliveries from farms have fallen off as producers are now busy sowing winter grains.

Here at home public elevators are still buying some beans to arrive but storage space in Chicago is becoming a little tight. Some purchases today were made at a price as low as 9¢ under Chicago deliveries.

Primary receipts of wheat were less than a million bu, which was about the same as last week and compared with 1.8 million bu last year. Kansas City and Minneapolis stocks so far this week show a net decrease of 277,000 bu. We shall undoubtedly have a smaller decrease in the visible supply on Monday than a year ago, when there was a shrinkage of 5 1/4 million bu.

Trade was quite a little broader than heretofore, and because of the dry reports and the seriousness of the winter wheat situation, buying developed so that we had one of the best upturns in recent weeks. With the export trade in corn there was also a firm undertone to that market, although some selling by the country prevented too much of an advance, and in fact, there were some reactions from the highpoint of the day. Beans were reasonably strong but also some profit-taking; on the whole sentiment in various pits was considerably improved.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 20, 1952.

Despite the drought that is now a serious threat to next summer's production, particularly of wheat, the Bureau of Agricultural Economics figures that farm production in 1953 will probably be maintained around the record 1952 level if growing conditions are not unfavorable. Farmers are likely to receive slightly lower prices for the products they sell, and will probably spend a little more for production expenses next season than at the present time. A slightly smaller supply of feeds is in the outlook, with continued strong demand but not much change in price is in prospect for feed concentrates nextyear. The output of all meat in 1952 may rise to the 1947 peacetime high. However, with the increase in population, consumption per person will be lower than in 1947, and the amount available will be 144 pounds compared with 154 lbs at that time. Inasmuch as we are consuming an estimated 142 lbs this should be enough for all purposes. Certain of our national expenditures probably will continue high, irrespective of which party succeeds in the election in November. It is felt that by mid-1953, national security spending will probably be at the annual rate of $55 to 60 billion compared with $50 billion at present. Total government spending, which includes federal, state, and local, will be moderately higher in 1953 than at the present time.

When our market opened this morning it was influenced by the continued dry weather Southwest, with no apparent change in the forecast. While we had some light snow over the Great Lakes Region, it did not seem to penetrate the bad areas of Kansas, TExas, Oklahoma, etc. Recent stories from the winter wheat sections were pessimistic in nature, and even though we may have a carryover of 550 million bu wheat on July 1, 1953, it does not look as a great danger in view of the fact that next summer's production may be considerably less than the size of the crops recently harvested. The last carryover was 254 million bu, but, of course, with the large crops that followed there was ample grain for all purposes particularly since our export demand will not be as keen as it was a year ago and the Department of Agriculture now figures that we may be lucky if we ship as much as 175 million bu during the first six months of the crop year. A smaller quantity is likely to be shipped during the latter half of the season, owing to the large crops and heavy offerings from Canada. The corn market also showed pretty good gains, despite heavy country offerings, and there appeared to be good commission house buying this morning on the prospect that the movement of corn would not last long. It was also stated by the USDA in their FEED SITUATION pamphlet that the bumper crop of corn would probably result in only a seasonable decline in prices this fall, but that later on advances were likely.

Barley and grain sorghum prices are expected to average considerably higher than last season as a result of smaller supplies. There was a good demand for meal over the weekend, and one processor in particular was a good buyer of soybean futures, while it was reported that Japan bought 3,000 tons of beans for export. Whether we shall have the same pressure against ceiling prices for meal and most protein feeds is a question. Total supplies of all feed concentrates are estimated at 165 million tons, which is about 3% lower than the season before. The supply is smaller than the large one of the past four years but again much above prewar average. On the other hand, the number of grain-consuming livestock on farms will have a bearing on this subject, and a slight reversal in trend is indicated; in fact, has been under way ever since 1948. The supply of feed concentrates per animal unit is about equal that of last year but is, nevertheless, 7 to 8% smaller than in the preceding years 1948-49 to 1950-51.

The visible supply of wheat decreased 3.4 million bu to 265.5 million bu and is now 63 million larger than last year. Corn increased 2 million bu to 18.3 million compared with 31.2 million last season. Oats decreased 651,000 bu with about the same quantity on hand as last season. There was a small local decrease in wheat stocks. The Chicago corn stock increased 563,000 bu, oats decreased 330,000 bu. Beans increased 423,000 bu.

Trade was more moderate than on Friday. The effect of dry weather had apparently lost some of its impact but still there was no pressure and prices were firm. The government in its forward pricing provisions announced a soybean loan for 1953 of $2.56 a bu national average, the same as the one now in force. This had very little effect on the market but pressure from the country was not heavy, and gradually it is possible that the cash situation may improve but it may take a little tim yet. Corn was quite firm in spite of nearly 800 cars received in Chicago. This was largely due to commission house buying, which more than offset liberal offerings from the country.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, 4 October 21, 1952

In 1884, Prof. Sumner of Yale University wrote some interesting essays, in which he asks the question whether we had better trust the play of free social forces or resort to legislative and administrative interference. At that time he called attention to the fact that "under the medieval systems, the sovereign interfered constantly and at all points, wherever its intervention was asked for. It fixed prices, but it also fixed wages, regulated kinds and prices of raw materials, prescribed the relations of one trade to another, forbade touting, advertising, rivalry: regulated buying and selling by merchants: protected consumers by inspection; limited importations, but might force production and force sales." He also stated: "The law of the survival of the fittest was not made by man and cannot be abrogated by man. We can only, by interfering with it, produce the survivial of the unfittest. If a man comes forward with any grievance against the order of society so far as this is shaped by human agency, he must have patient hearing and full redress; but if he addressed a demand to society for relief from the hardships of life, he asks simply that somebody else should get his living for him. In that case he ought to be left to find out his error from hard experience." We appreciate that a good many people are looking for Utopia. Personally, we have never understood what that term really meant, as it is derived from the Greek words meaning "nowhere."

When our market opened this morning, it was influenced by continuation of dry weather, and outside of a light sprinkle at Garden City, Kansas, which is in the western part of the state, there had been no relief. About the only hope is for a few light showers in southwestern Kansas tonight. The five-day forecast is not optimistic; nor did the later map show any signs of a change, but despite this factor, wheat which has advanced for several days now showed a slight weakening tendency and there was some commission-house selling. As an offset we had some mill buying in the market but nothing on a heavy scale. According to the Weather Bureau reports of precipitation, there has been a very marked deficiency in most parts of the Southwest. For example, during the past nineteen weeks, Dodge City, Kansas, had only about 4 inches rain, which was a little more than half of normal. Goodland, Kansas was somewhat better with 5.68 inches rain, but a deficiency during this period of 4.24 inch. Wichita had a deficiency of over 6 inches,,and about 8 1/2 inches rain during the nineteen-week period. Lincoln, Nebraska with 15.3 inches was somewhat better than normal, but Amarillo, Texas with 3.86 inches had only half as much rain as in a normal year. All this suggests that unless we have an important change during the winter or spring months, we may have to prepare ourselves for poor crops next summer.

The Department of Agriculture reported that an investigation is taking place concerning the importation of oats from Canada by a large elevator concern, and that this has been referred to the Department Solicitor to see whether action should be taken. As far as we know, there is nothing new in this picture. All concerns which have bought oats in Canada, either the actual product or futures and have hedged them here, have reported such transactions on their usual forms. There is nothing illegal in bringing oats across the border, and unless Congress should want a change, we see no reason why the usual practice should not be continued. Inasmuch as Canada imports a good many articles from us, it is only natural to assume that if we wish to continue international trade we have to take some of their products which are in excess supply.

Primary receipts of wheat were very small and amounted to only 666,000 bu, which compared with 1,768,000 bu last week and over 2 million bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 368,000 bu.

After some hesitancy the market turned stronger after mid-session, and apparently the dry weather is having its influence. It carried the July future to a new high on the crop and May wheat was only a fraction from the best figures of the season. However, December wheat went to a wider discount, and there is now abou 10 million bu red wheat in the Chicago contract stock. One of the mills switched half a million bu across town into a deliverable position, while some other wheat here was up-graded, and thus we have a million more red wheat than last week. Mills apparently booked moderate amounts of family flour and some hedges were taken out of the pit but trade on the whole was rather dull. Despite mostly lower quotations for oil and meal, beans finally rallied in sympathy with the leading cereal Corn likewise was influenced, and thus the close showed a better undertone all around. There was considerable short covering in rye.

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CHICAGO, 4 October 22, 1952

The U. S. is the world's largest exporter of food, cotton, and tobacco, and is, therefore, directly concerned with any change that might interfere with this flow of trade. Agricultural exports last season reached approximately $4.1 billion, probably an all-time high in dollar value. If returns from these exports were evenly divided among American farmers, each one's share at the port of shipment would be about $700 a year. Thus one can easily see what a big business this has developed into. Foreign aid, of course, has been a big factor in the larger column of our agricultural exports during the past five years, but if the BAE is correct in its computation only about 20% of the U. S. exports were purchased by aid funds. Cotton, wheat, and tobacco are still the largest three items being shipped abroad, but lard, which for a long time had lagged, has again been moving ahead in rather good volume. Several new commodities have attained important stature in recent years, such as rice, soybeans, and sorghums. Our rice exports last season amounted to about 800,000 short tons, which smashed all previous records.

Our wheat exports last season were 470 million bu, the third largest on record, and the U. S. during the past five years has exported more wheat than was shipped in any similar period in its history. Furthermore, it was the largest quantity any country has ever exported in a similar period of time. Now when we talk about the possibility of curtailing oat imports, it seems rather trivial, as our total combined imports of oats and barley are less than the amount of corn we export. Actually, we take from other countries only about 5% of the total quantity of food utilized in this country, and this consists mostly of bananas, pineapple, and sugar. Even those commodities are controlled pretty much by the government, and the amount of sugar that will be imported next year will be determined by the Secretary of Agriculture, who will set the domestic requirement before December 31st.

Broomhall points out that Europe's foreign wheat needs are diminishing and during the season just completed they took only 487 million bu compared with 603 million bu in 1948-49, whereas non-Europe imported 495 million bu compared with 338 million in 1948-49. Egypt, India, Brazil, and other South American countries were heavy importers, and there is some doubt whether this non-European demand will continue indefinitely, but much will depend upon costs and exchange of trade. At the present time Britain is paying more for Russian corn than American corn would cost, but this is only done because of the shortage of dollars. In one way we presume it is fortunate that many countries have an additional means of earning dollars: namely, the American defense spending abroad, which should aid them in procuring their agricultural wants from the U. S. Our markets in Asia have fluctuated widely, and while Japan, and more recently India, had been the main markets, it remains to be seen whether this will continue to be the case. The most important reasonsfor our expansion have been: (1) the decreased supplies available from other export areas; (2) more United States foreign aid available; (3) improved economic situation in several areas; (4) increased population.

The wheat market opened a little easier. There was some evidence of flour business, but according to the Southwestern Miller flour business is disappointing, and while the trade has been displaying an active interest, there is widespread hesitancy in taking hold at higher levels as flour costs have risen 15¢ in the last few days.

There is still a lack of export sales of wheat from this country. There is a report that U. K. is inquiring for red wheat for November-December shipment but so far have not heard of any business materializing. Some flour business is expected to develop from The Netherlands for November-December clearance. Corn derived some early strength from a report that Austria had been allocated $4 1/2 million for the purchase of corn. However, storage in the Chicago area is being filled. It is extremely difficult to get permits for corn shipments to New Orleans and the St. Louis cash market has been backing away. This will probably be experienced in other markets as the Nebraska and northern corn begins to move in volume. Weakness in soybean meal was reflected in the bean market. While very little beans are being offered in Illinois some processors in this state are reaching into Missouri at existing discounts even though the freight is somewhat of a disadvantage.

Primary receipts of wheat today totaled 490,000 bu vs 1,022,000 bu a week ago and 831,000 bu the comparable day of last year. So far this week Minneapolis and Kansas City stocks show a net decrease of 509,000 bu. There is no relief in sight from the drought.

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CHICAGO, 4 October 23, 1952

As the political campaign draws into its closing hours, we hear lots of words, lots of boasts, and many promises. Much is said about the great improvement in the status of the farmer during the past ten years. If anyone is really interested to see a graphic sketch of what has taken place since 1940, he need only write to the Bureau of Agricultural Economics and ask for "Negative-48857-KX." He will immediately observe that while real estate, physical properties, and financial income have shown improvement based on current dollars, there has really been very little change based on the 1940 dollar, or in other words, buying power has hardly increased any as far as real estate values are concerned; there has been virtually no improvement in other physical assets, and only a slight upturn has occurred in the financial setup.

We also hear how greater equality has been established, and we wonder if by that is meant that the able should be pushed down and the indolent pushed up. That type of equality would certainly retard willing men to the pace of the unwilling, or would place uncertain props beneath backsliders. As Richard L. Evans so ably points out:"The trees in the forest have fundamental rights and privileges but they do not all grow to the same height, and it would seem rather foolish to cut down the tall trees to the level of the lesser ones, and it would be just as preposterous to ruthlessly pull up the short trees in the forest to the height of the tall ones. Certainly there must be equality, but that consists of equality in the right to voice our views; equality in the right to worship according to the dictates of conscience; equality before the law; equality at the ballot box; equality in the right to work without paying tribute to anyone for the privilege; an equality not circumvented by political pressure, not denied to minority groups, not withheld from the humble, the friendless, or the needy." So goes the quotation from this authority's article, The Spoken Word.

While some new export business is likely soon, the volume has been rather disappointing during the past two or three weeks, and according to Broomhall the weekly clearances of wheat and flour were 3.7 million bu, bringing the total to 87 million since July 1st compared with 133 million bu a year ago. Since the start of the world crop season, August 1st, total exports have likewise been smaller, and from all countries have amounted to 166 million bu vs. 220 million a year ago. Canada is the only country that has been doing a larger volume; her share was 76 million bu, or 9 million more than the season earlier. Australia about kept pace with a year ago; Black Sea was just a trifle smaller, but nothing was shipped from the Argentine against clearances of 15 1/2 million bu last year. Since October 1st 2 million bu corn was shipped from the U. S. against 2 3/4 million bu the same time last season.

There is still no change in the weather pattern and while temperatures have become milder there is no precipitation in sight. This was the reason for comparative strength this morning in wheat, even when beans and corn were under pressure. It seems that quite a little Illinois corn was offered into Indiana territory and the main difficulty now is that storage space is scarce; a good many farmers are finding that yields are turning out better than had been expected, and possibly some revisions will have to be made in final estimates as compared with the last government report.

The Chicago corn hog ratio for the week ending October 18th was 11.5, an improvement over the week before, when it was 11.2; this compared with 11.3 a year ago.

Primary receipts of wheat were 831,000 bu compared with 938,000 bu last week and 1,653,000 bu last year. Kansas City and Minneapolis stocks show a total decrease so far this week of 843,000 bu.

Trade was extremely moderate and at times small buying orders in wheat had more than the usual effect. July wheat sold at a season's high due to dry weather conditions. Not much attention was paid to the sale of 5,000 tons two red winter wheat to the U. K. from Albany, the price being so much lower East of here than on a Chicago basis. Flour business was very dull but weather is being watched more carefully than any other factor. Corn at one time showed reasonable strength but until the tracks get cleared again and offerings subside, we doubt whether there can be permanent strength. Beans were quite firm despite weakness in meal, but the trade seems to be in a rather cautious frame of mind.

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CHICAGO, 4

October 24, 1952

Taking everything into account, the status of the U. S. farmer is still a very satisfactory one. He continues to increase his financial reserves, and by end of the year it is expected that liquid savings deposits, currency, and U. S. Savings Bonds will probably total about $21.5 billion. Against this must be considered the farm mortgage debt, which is still increasing and has continued upward now for the seventh consecutive year. By January 1, 1953, it is estimated that it will total about $6.7 billion. In addition to this there is the non-real estate debt owed by farmers to all types of lenders and creditors. This figure does not take into account the non-recourse Commodity Credit Corporation loans, and is estimated to be about $8.3 billion, of which $4.8 billion is owed to banks and federally sponsored lenders, and $3.5 billion to miscellaneous lenders. The non-real estate debt is about 12% above a year earlier and likewise has been increasing. Taking the net financial reserve, less money owed, the farmer as a whole is still solvent, being on the asset side of the picture to the tune of about $6.5 billion. Now comes the question of taxes, and in most states farmers paid more in 1952 than previously, as revenue demands of state and local governments have been going upward. There is little prospect of a decline in federal requirements through the coming year. Retail sales tax laws were hardly changed by the eighteen legislatures that met in 1952. A few of them lowered gasoline taxes, but more raised them, and the amounts paid by farmers next year are expected to increase. As for farm real estate levies an increase of about 5% and a slightly greater increase in farm personal property taxes is expected next year. Unlike the income tax farm property levies are highly rigid, and would not be affected directly by a decline in farm income.

When our market opened this morning corn and beans were lower. It had been reported that Holland bought 2 cargoes corn, and some hedges were taken out of the pit, but as an offset two large elevator concerns were apparently hedging overnight purchases, and new lows on the crop were registered for the yellow cereal, but wheat held rather firm due to continuation of drought, and the prospect is for dry weather and mild temperatures through Sunday. The five-day forecast anticipates the possibility of precipitation by next Wednesday, but this is not too definite and is still a long way off. September was a very dry month, and precipitation in Kansas was only 21% of normal, Oklahoma 23%, and Texas 71%. Even Illinois showed up rather poorly in the moisture column, having had only 52% of normal moisture in September, while Indiana had 105%, and Ohio 100%. Until there is some relief we see little likelihood of any sharp declines even though export business is disappointing as compared with last year, and there still remains a lag in flour business. The soil moisture test for Kansas showed the driest situation in more than a decade in the western two-thirds of the state.

Primary receipts of wheat were a little over 1 million bu, which was slightly larger than last week, and compared with 1.6 million bu last year. Kansas City and Minneapolis stocks so far this week show a decrease of 1 1/4 million bu.When the visible supply is posted Monay it will compare with a shrinkage last year of 4 million bu.

Trade was extremely dull, particularly so in wheat. However, there were supporting orders in the December future, with a northwest elevator concern a heavy buyer. It is hard to say what this represented, although a cargo of red wheat was sold to the U. K. and there is expected to be a large business here on Tuesday for export, so that hedges may have been covered in advance. Wheat really held extremely well considering the weakness in corn and in beans. However, we are told by our downstate offices that corn is coming in less freely from the farms to country elevators; in fact, some farmers are actually leaving the corn standing in the field. Thus we may not have as much pressure next week, and if this is the case, the big discounts for cash may not be as great.

Meal prices were lower, which probably was an influence in the bean market. One of the large processors had also sidestepped for a time, and altogether there was no great speculative enthusiasm on the constructive side of the market. Milling demand continues slow.

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CHICAGO, 4

October 27, 1952

After the close of the market on Friday, the government published figures with respect to the amount of corn in various positions, and the conclusion was that a carryover of 488.5 million bu was on hand October 1st compared with 739.2 million a year earlier, and 845 million bu two years ago. The corn reserve has ranged from 123.5 million bu in 1948 to the high figure just mentioned in 1950, but of the ten years of record only in the last three were the carryovers larger than the current total. There is nearly 245 million bu of the present reserve owned by CCC and stored in CCC owned storages, reflecting a steady decline from the high point of 334 million bu on April 1, 1951. At that time their total holdings were 438 million bu in all positions. The oat stock of over 1,100 million bu was only slightly less than average for October 1st but smaller than for the last two years. Barley stocks, amounting to 210 million bu, were the smallest since 1946, while that portion which was on farms and amounted to 126 million bu, was the smallest in fourteen years of record.

Probably something should be mentioned again concerning oat and barley imports from Canada. The total for the season to date is 11 1/4 million bu oats and 5 1/4 million bu barley. There is much ado over this import movement, but there is nothing new about it, and as one of our friends in Canada points out, the shipment and sale of these grains to U.S. markets have been a natural process of trading for at least forty-five years or more; in other words, ever since Western Canada had become a surplus producing area. When we consider that the average oat crop in the U. S. during the past ten years was 1,310 million bu, it is quite obvious that the small quantities being brought in from Canada are not too important, but yet they provide grain for certain deficit areas, particularly in New England or along the Atlantic seaboard.

While the stock of wheat was given at 1,342 million bu, the second largest in history, not too much attention was paid to that factor owing to the fact that dry weather continues, and in a number of areas burning leaves and forest fires have been reported, which is certainly in Illinois and parts of the Central States an unheard of event at this time of year. There is still no relief, and our weather man looks for lower temperatures but continued drought for at least the next thirty-six hours. The small stocks of rye on October 1st, amounting to 12.7 million bu, are the smallest in ten years.

This may have had an influence on the futures market this morning, as was also a lighter marketing of rye in Canada and thus the possibility of small imports during the next few months. While offerings of corn from the country were lighter, there were still hedges placed at the opening, but there is one factor that requires attention: namely, the small amount of elevator space we have in Chicago, and thus it will not be possible to build up a large reserve here. Later on, this may have some influence on the carrying charge when movement from the country diminishes, and we believe this is something that should be watched. Several cargoes corn were reported sold for export and the spot corn basis, which had been so very weak, showed an improvement in early trade. There were buyers East of Chicago who were also claimed to be in the market, which helped to some extent. In addition to the rail receipts of corn, there was 120,000 bu booked by barge this morning, also a factor which should not be ignored.

Great optimism is being expressed by Broomhall on the final outcome of the Argentine wheat crop, which now could reach a figure of 250 million bu. If that were the case it would provide fully 125 million bu for export and carryover in 1953. Some slight improvement has also occurred in Australia and their wheat crop should exceed the 135 to 140 million bu estimate of a few weeks ago. In India, moisture is still deficient and may cause curtailment of acreage.

When the visible supply was posted there was a decrease of 3.8 million bu wheat. Total stocks of 261.6 million bu are still 63 million larger than last year. In Chicago there was a slight increase, with 17 million bu here. Total corn stocks increased 3 1/4 million bu, and oat stocks decreased 904,000 bu, Chicago being the largest loser of 703,000 bu during the week.

Markets were all rather firm. There was local buying in corn and as we mentioned earlier the premium basis was steadier. Wheat was influenced by bullish crop reports, the Quaker Oats Company claiming that if we are to raise any kind of winter wheat crop, Mother Nature will have to pull a rabbit out of the hat in short order. Beans were rather indifferent, but finally higher. There is still no urgency to buy meal. Chicago stocks during the week increased 453,000 bu to a total of 2.8 million bu. Trade was rather dull, and in fact, volume in all pits was somewhat disappointing.

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DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 28, 1952.

Gross farm income this year will be a little higher than last, but the increase is pretty well offset by higher cost of production and other increases all along the line. Expenditures for fertilizer and lime will be about 7% higher this year than last, reflecting an increase in use, and also, slightly higher prices. Purchased feed is up 5% from last year because of higher prices. Taxes are up 6%. The total costof hired labor is up 3% with higher wage rates only partly offset by smaller number of workers employed. Depreciation charges on buildings and machinery are up 6% from last year because of increased investments and higher replacement costs. Besides this the cost of operating motor vehicles is up 4% due to the larger number on farms, and higher prices of fuel and repairs. Nevertheless, the farmer is prosperous and during the past two decades he has been tremendously influenced and helped by the growth in population. He does not depend as much on the export market as he did in former years.

If the census were taken today we would probably find that there were 157 million people in the country, and our population increased at the rate of about 2 1/2 million a year. Some authorities believe that by 1975 we may have 190 million people in the U.S. Consumers have increased their average food consumption about 12% from pre-World War II levels, and there is undoubtedly room for further improvement, but that will depend on the general prosperity of the country. One hundred years ago 70% of the population lived on farms; today only 18%, and with modern machinery and improvement in mechanization our efficiency has leaped forward beyond all conception. There are only 24 million people now on farms, while 42 years ago there were 32 million at a time when our population was only 92 million.

Our marketsthis morning were influenced by the same factors as heretofore: namely, continuation of dry weather over most of the country, and no relief was promised by the five-day forecast. Therefore, it is only fair to assume that winter wheat is getting off to a poor start. Likewise animals do not have the same opportunity for grazing as in normal years. Hay crops have suffered to some extent and in the dry areas corn and milo turned out badly so that feed grains are also apt to be affected by lack of rain.

There was an improvement in export demand, and according to the early reports India had purchased a cargo of Pacific white wheat, also Portugal bought 3 cargoes #2 hard wheat for last half NOvember shipment via the Gulf. Further business is expected gradually with possibly some large orders placed again tomorrow. However, there was little evidence of hedge covering in the market, and early purchases were more of a speculative nature, but the country had offered practically no corn and hardly any beans, so that pressure, which had been quite heavy of late, was no longer a depressing influence. One downstate processor claimed that the country was not selling beans at the present level, and that he found it impossible to buy any in his immediate territory. While we are having all the dry weather here, the reverse has been true in some European countries; in fact, seeding has been halted in France due to excessive rains, while production estimates in Sweden, Norway, and Finland are being considerably cut on account of excessive precipitation and even floods at harvest time.

Primary receipts of wheat today totaled 1,207,000 bu vs. 666,000 bu last week and 2,229,000 bu the comparable day of last year. So far this week Minneapolis and Kansas City wheat stocks show a net decrease of 280,000 bu.

The market in all pits today was more or less featureless, and there seemed to be no follow-up in buying after the opening bulge in wheat; in fact, during the session it appeared as though there was some backspreading, buying corn and selling wheat.

According tothe Southwestern Miller flour sales are small and while inquiries continue there seems to be hesitancy in following up the higher costs. Export flour business is draggy.

Offerings of new corn from the country today were very meager and processors did not show much interest in cash beans. It was reported that a cargo of oats cleared Ft. William today for Chicago.

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COMMODITY EXCHANGE INC.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 29, 1952.

In almost all previous elections, federal expenditures and the national debt were big issues of the day. Today, these factors are almost forgotten, but in its place national income and general prosperity are being stressed. It is, nevertheless, interesting to note that the interest cost of today's debt runs close to $6 billion a year. The cost alone of carrying our debt is not only higher than ever before, but the Treasury pays more interest than the entire federal government cost in any peacetime year prior to the New Deal. Twenty years ago ournational debt was approximately $20 billion; today, it has risen to $264 billion, and as far as we can see it is still headed higher. In addition to this the cost of carrying the debt will probably increase as interest rates are edging higher, and very likely the next Secretary of the Treasury will have a lot of refinancing to do as the outstanding debt matures. Chances are that he will have to offer higher rates of interest on new bonds, notes, and other securities that are issued by the Treasury. An entirely newpsychology has been built up and now a new view has been adopted with the debt being compared to what the country produces in goods and services, so that apparently both candidates feel that the important thing is to keep the country prosperous, keep business active, and people well employed, in order that the debt itself can be serviced. While the debt has gone up tremendously, the national income which supports the debt also has increased 3 1/2-fold, and, therefore, little attention is paid to the fact that interest on the national debt in 1940 amounted to only about 1.2% of the national income. At the present time interest charges on the debt run a little more than 2% of the national income. This may be the reason that we hear so little about this matter during the current campaign.

When our market opened this morning, it was influenced by the same type of news. It is still extremely dry over most parts of the country. Some sections have suffered more from the drought than others, but rain is pretty generally needed, and there is still no chance for immediate relief. Temperatures will probably rise a little but there is still a good deal of seeded wheat in the Great Plains' areas, which has not yet germinated, and growth of early-seeded grain is at a standstill. Chances are that a good part of the intended acreage has been sown in Kansas, but there is little hope of germination until rains come. Agricultural experts have indicated that soil moisture tests in Kansas show about the driest condition since the fall of 1940; therefore, soaking rains are needed in almost all sections of the country for germination and growth.

Our market yesterday was subjected to profit-taking, and when May and July wheat sold at season's high liquidation was apparently more than enough to offset new buying, but at the same time nobody is taking an aggressive stand on the short side of the market, even admitting that there may not be a calamity in sight, insofar as wheat supplies are concerned. With the probable carryover of 550 million but next July, a spring wheat crop of 250 million bu would about give us enough for home consumption and a small reserve, so that whatever is raised in the winter wheat territory would be surplus. Thus, there is no likelihood that we shall have to import anything, but it now looks very possible that our reserve stocks may be appreciably reduced unless there is some relief before long.

There is some improvement in European weather, a dry spell now setting in after a serious period of rains. No important wheat acreage change is anticipated but the seedbed is considered to be good and field work is now possible.

Primary receipts of wheat were very light and amounted to only 478,000 bu, which was about the same as last week and compared with 802,000 bu last year. Kansas City and Minneapolis stocks have shown a total decrease of 560,000 bu so far this week.

Markets at one time were influenced by certain deflationary aspects, with some New York commodities rather depressed. However, the cash corn basis in Chicago has improved materially and the dry weather is still with us, so that with a little better buying after mid-session there were rallies in all pits, and in fact, corn showed a rather good undertone. The latter was also helped by some local buying, but the fact remains that pressure from the country has lessened considerably.

There was some export business reported in wheat, with Brazil having booked 4 or 5 cargoes at the Gulf. We saw little evidence of any hedges being covered, however. Milling demand was probably a little better, and the drought is also caus- uneasiness among most buyers. Chances are that there will be some deliveries on November bean contracts, and this has caused a widening of the carrying charge from November to January. The market strengthened after being quite weak and indifferent early.

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DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Oct. 30, 1952.

The election is only a few days away and the campaigns of various candidates are now in the final stage. As one of our friends in the East points out: "The investor in corporate securities and his role in the national economy has been completely ignored. Despite his indispensability in the creation of whatever kind of prosperity we have, he has been taken for granted. Actually he is the 'great unmentionalbe.'" Apparently the various parties and their candidates are confident that there is no such thing as "investor vote" because they know that no investor pressure group exists. Possibly it is for the reason that an investor in most cases is primarily something else, such as a business executive, a factory worker, a farmer, a grocery store proprietor, a school teacher, or a railroad employee. He is only secondarily an investor, but yet his savings and his income are of prime importance, and in many cases mean just as much to him as the role he plays in earning a living.

One lesson we have learned, if not before, is that in this great country of ours we can only continue to be great when we act in good faith and when we consider the balanced best interests of all the people, and not just a few who would sacrifice long-term economic statesmanship for profit.

When our market opened this morning prices were barely firm. It was still dry over most parts of the country, and while there is no definite forecast for a change, map readers are of the opinion that we might be in for a period of somewhat better weather. There are signs from Canada that moisture may occur over parts of the grain belt by Sunday or Monday, but indications are still vague, and nobody can tell if moisture does come whether it will benefit the Ohio River Valley or whether it will cause a change in the Southwest. Nevertheless, there were some locals who appeared to be a little more cautious, and we had early selling this morning that apparently represented evening-up of accounts. In any case there was no important wheat buying either commercial or speculative, and although Austria had purchased two cargoes winter wheat via the gulf, there did not seem to be any hedges covered in our market, although sometimes buying takes place either in cash or in Kansas City against such business. Our advices from Winnipeg claim that there was no sign of new export trade, and unless this developed there might be profit-taking in their market as recent advances had been rather sharp. We are finding, however, that farmers are not selling their corn aggressively, but at the same time, Chicago carlot receipts were large, and there was also 345,000 bu in this morning on barges, plus some truck deliveries, so that altogether this market is getting about as much grain as can be physically handled. There is still some congestion at gulf ports even though boats are scheduled for arrival within a few days, and the movement of both beans and corn came all at once this season owing to the fine harvesting weather and the fact that crops were large, so that a certain portion had to be merchandised.

Farmers will spend nearly a billion dollars this year for commercial plant food, which compares with only $261 million in 1940. The rapid growth in use of fertilizers has been general in all parts of the country, but the north central states have been setting the pace, and as long asprices remain high, we believe that every effort will be made to utilize the soil to its utmost. The Department of Agriculture estimates that about 25% of the 1951 crop production can be attributed to fertilizer. This compares with 22% in the record crop-year of 1948, and 15% in 19[illegible] Fertilizer is sure to play an important role in further increases in farm production.

Primary receipts of wheat were 800,000 bu, only a little smaller than last week and compared with 2.4 million bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 876,000 bu.

We had heavy wheat and flour clearances this week, Broomhall estimating them at 7 3/4 million bu. The total since first of July was 95 million bu vs 138 million a year ago.

Markets were indifferent except for beans. Denmark was reported as the buyer of a cargo of soybeans, which seemed to help that commodity. Furthermore, the cash basis improved and meal, which had recently been weak, was much less distressed this morning. Buyers in corn are still hesitating as they figure there ma be heavy arrivals over the week-end, but the futures market remains fairly firm. There are continued reports of dry weather and dust in parts of Kansas, but this does not have much market effect. We begin to wonder what the price level of wheat might have been had it not been for the dry spell during the past month.

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CHICAGO, 4 Oct. 31, 1952.

It seems not to matter what the size of our soybean crop is as even big yields have failed to cause much disturbance marketwise. As a matter of fact, carryover reserves during the past three years have shown that our consumption keeps up pretty much with our production. On October 1st we had a reserve stock of 3.5 million bu, which was certainly small on basis of 280 million bu raised. A year ago, the carryover was 4.1 million bu and two years ago 2.9 million bu. Thus it can be seen that we do not have the wide variations such as occurred in wheat and at times in corn. When we consider that last July the reserve stock of wheat was 254 million bu and that it will be over double on July 1, 1953, it is obvious that any attempt to control production would be futile and sometimes dangerous. Therefore, it is probably wise that acreage allotments are not too carefully prescribed in Washington even when it looks as though reserves were excessive. Nobody can tell what the winter wheat crop next summer will be. Some are guessing that unless rain falls soon the government report in December will show a prospective yield of 600 million bu or less, and indeed, the figure might even be smaller if we continue to have adverse conditions. Yesterday's map indicated that the pattern of weather might be changing slightly, but there was no more hope this morning for immediate relief, and even the five-day forecast does not suggest that we are going to get any appreciable amounts of precipitation anywhere in the country.

Consequently, our wheat market this morning firmed a little at the opening, despite lower prices for corn, but it seems rather difficult to have much enthusiasm on the constructive side of the market so long as milling demand is indifferent, although in the final analysis the amount that our people consume in the form of bread, flour, etc. does not vary much from year to year. There was some encouragement from Canada but even that factor failed to arouse much buying impetus, and it is possible that traders are awaiting the election before entering into new commitments. The AP report to which we have just referred, speaks of Western Canada's record wheat crop, but also the excellent demand from abroad and the heavy sales that have been made. An official of the Wheat Board claims that export commitments are heavier than at any time in history. The Port of Vancouver is booked solidly until end of the crop-year, and business is now being turned down for any further shipments via Pacific Coast ports. A similar situation is rapidly being reported in connection with sales through Eastern ports. Canada's commitment under IWA is just about filled, and there seems to be a good market for wheat at free prices, sales being made outside the Agreement. The chief limitation, of course, is that of transportation. Apparently business with Britain, India, Japan, Norway, and Switzerland has accounted for the bulk of IWA commitments.

While it was thought early that there would be some lack of European demand, we are now told that Argentina has already contracted for exports of 57 million bu wheat from their new crop. This will go largely to Brazil, Japan and Italy, but details regarding transactions are still not available. Should the Argentine crop come through according to present promise and provide 125 million bu for export and carryover, the above mentioned sales would pretty well eliminate any further selling pressure from that source.

Primary receipts of wheat were a little over 1 million bu today; this was about the same as last week and compared with 1.2 million bu last year. Kansas City and Minneapolis stocks show a decrease of 1.1 million bu so far. When the visible is posted on Monday it will compare with a shrinkage last year of 4.7 million bu.

Trade was rather dull and corn held reasonably well considering that the cash basis was again weaker. It is apparently going to take time before congestion at terminals and at the gulf is corrected. We saw some local selling of corn but hedging pressure was light, and we doubt whether the farmer is selling any more than he has to at present levels. Flour business showed no pick-up and this is one thing that prevents sustained strength in wheat. Furthermore, world wheat production this season is forecast at 7,150 million bu, the largest of record; this compares with 6,485 million bu produced last year, and 5,830 million the 1945-49 average. Figures such as these tend to keep traders conservative.

Tenders on November bean contracts appear to be smaller than were expected

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CHICAGO, 4 November 3, 1952

All major grain and securities markets of the country will be closed tomorrow while the American public votes for the next President of the U. S. Every citizen, whether he goes to the polls on election day or stays away, will be casting a vote in Tuesday's election, according to Gen. Jonathan Wainright, Chairman of Americans Will Vote. Those who stay away from the ballot box are inadvertently giving their vote to candidates and issues they may be opposed to and would not support as voters. Gen. Wainright hopes that all eligible voters will exercise the greatest of all American heritages-- that of the free franchise.

Four years ago wheat was selling at a level of $2.25 to $2.30, and following the Truman victory there were gradual advances in the price, also of corn, oats, beans, etc., probably for the reason that traders were expecting continuation of inflationary tendencies. This time the Republican Party has talked somewhat more of thrift and savings, with less expenditures, both for defense and non-defense, but as to the Farm Support Program both candidates continue to feel that the loan program should be continued. With many cereals selling below the loan level, we doubt whether a victory for either party would be a cue for any immediate downward trend; actually, today's advance in wheat and in beans and in rye seemed to stem from other factors. Last week the rye market had a very sharp upturn due to the small supplies remaining in this country, and the possibility that imports, at least for the time being, would not be burdensome. Storage space is rather tight everywhere, not only in Chicago, but East of here; so with wider carrying charges in other cereals we believe there will be greater incentive to bring oats down from Canada than rye, and possibly some barley, as the drought has seriously affected the feed situation in a number of states. Corn lagged a little at the start, probably for the reason that receipts were very heavy, estimated at 687 cars, and the cash basis started about a cent lower, all of which would indicate that there is still some pressure even though prices are less attractive marketwise than if corn were placed under the loan. However, so much was raised that there is bound to be some movement from the country, at least at the start of the crop season.

There was no important moisture over the week-end. A few light showers were reported over the Central States, but in no case more than ,20 inch precipitation, while it continued dry in the winter wheat area of the Southwest, and apparently no change is in sight. Even the 30-day outlook is for subnormal rainfall for both southwestern and southeastern portions of the U.S.

Washington advices are to the effect that present sales of wheat indicate that the government goal will probably not reach the figure of 175 million bu for the first six months of the crop season. Apparently competition from Canada is taking away some of our trade. It was reported, however, that the U.K. had purchased a cargo of No. 2 hard wheat, last half December shipment, vie the Gulf. According to Broomhall, Australian crops have received some very welcome moisture, and as a result, prospective yields are being raised. Total production may reach 150 million bu, which is somewhat better than earlier indications.

When the visible supply of wheat was posted there was a rather heavy decrease of 4 3/4 million bu. This leaves total stocks in all positions 257 million bu, which is 63 million bu greater than last year. Chicago stocks showed a small decrease but there is still close to 17 million bu in this market. The corn visible showed a large increase of 6.3 million bu. Of course, this is the season of the year when that is expected. The total stock of 28 million bu compares with 33.7 million last year. Chicago increased 860,000 bu. Oats decreased nearly 900,000 bu and at Chicago there was a shrinkage of 310,000 bu. However, with small movement from the country it could be overcome by heavier imports from Canada.

Trade was not particularly heavy but the early advance failed to hold. It is surprising with the dry weather situation and no relief indicated that there should not be more support in wheat. However, the price is high and apparently there are still those who feel that even a late rain might bring about some improvement. Corn was subjected to heavy pressure at times but country selling was not important. In beans it was only the nearby deliveries that were finally strong, as the deferred months were somewhat indifferent, probably due to local liquidation.

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CHICAGO, 4 Nov. 5, 1952.

History has seldom recorded in times of prosperity that the party in office has been rejected by such a large plurality. The Democrats have held office now for twenty years, and a good many of our young people have never known any other kind of government. The two-party system has triumphed again, and this is the system under which our country became great. People will offer various reasons for the change but certainly Korea played an important part; so did regimentation, bureaucracy, and high taxes. Gen. Eisenhower, the night before the election, told how he had been brought up on a farm; his family was poor, but they never knew it. In fact, class distinction was something that this country never wished to tolerate. The General has shown himself to be a great leader in dealing with men and with other nations. His task will not be easy; it will take great wisdom and foresight to lead us on the right path. However, these virtues are still alive in America, and we feel that the General is qualified in effecting the energy of government and the security of private rights. Disraeli, the famed Prime Minister of England, once said: "The world is wearied of statesmen whom democracy has degraded into politicians."

When our market opened this morning not too much attention was paid to the election, and some maintain that parity, high loans, and the drought are still paramount issues. Later in the session there were reports of some rains in Texas, but apparently the areas of the Panhandle where wheat is grown have not had any appreciable relief as yet. Broomhall also pointed out that some frosts had occurred recently in the Argentine, and it was feared that small grains may have been hurt by the freezes of last Saturday and Sunday. Wheat, oats, and barley have suffered the most, but it seems that the cold wave is spreading northward, and it is thought that further losses may result. Previously a big crop had been in prospect, and we may now have to revise our ideas both as to yields and quantity that may be exported from that country. Ireland bought some wheat via the Pacific Coast and the U. K. purchased two cargoes of hard winters via the gulf, but this did not seem to have much effect on our price level. Ireland had also bought some corn for last half November, shipment FOB Baltimore, but for the time being corn receipts are heavy and the cash price can hardly be expected to strengthen until pressure subsides.

CCC shows in its wheat inventory 142 million bu wheat but we have not had any figures recently as to how much has been impounded from last summer's crop. The figure in our opinion will be large, but it still may take time before this is felt, and while some are forecasting that 400 to 500 million bu may be placed under the loan, even that would leave some wheat for the free market. Therefore, until we have further particulars it is difficult to predict to what extent our markets later may become artificial. The government still holds 290.6 million bu corn, and these reductions have been going on for some time. At the end of August there was somewhat over 300 million bu held by this governmental agency, and we note steady declines since March 31, 1951 when 438 million bu was held.

Primary receipts of wheat were 1,615,000 bu, which compared with 478,000 bu last week and 782,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 341,000 bu. There is nearly 10 1/2 million bu red wheat in the contract stocks here in Chicago, the total of all grades amounting to 11 1/4 million bu. This apparently is one factor that prevents too much enthusiasm on the bull side of the market.

Toward mid-session there was a flurry of selling which started out to be local in character but later liquidation by commission houses and the market was very poorly supported. All pits were affected and there was no special news to account for the general weakness, but it seems difficult to bull the market day after day on dry reports in the growing areas, although if we do not have rain soon this could become a very serious factor. Flour business does not show any improvement and not many hedges are being taken out of the market. As a matter of fact, commercial trade is extremely quiet. There was considerable selling of beans and some of the recent advances may have been too rapid. There was recently slight improvement for meal but like last year it may take time before that commodity advances much. Certainly at the beginning of the crop season supplies are ample to meet current demands. Storage space is still scarce and this is one of the reasons contributing to the weakness in the cash corn basis, although there was a slight improvement today. It may take patience before we have any betterment in that regard.

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CHICAGO, 4 Nov. 6, 1952.

General Eisenhower is vacationing in Georgia, and it is thought that within about ten days he will travel by Army transport to Korea to see at first hand what may be done to shorten the conflict. As matters now stand, it is costing us between $6 to $10 billion every year, not to speak of the 50,000 or more casualties to carry on the present police action in that area. As for Russia, they are losing Chinese lives and not their own, and while they are paying out rather large quantities for material they figure it is worth something to them in the experience and training they are getting. It is, therefore, natural that Russia should not want to give up under present conditions. While there was great difference of opinion, there had been another alternative when General MacArthur wanted to take a military road to victory, which would have meant re-arming Chiang, and letting him land guerillas on the southern Chinese coast. That, of course, could have been done without committing a single American life. MacArthur felt it would likewise have forced the Reds to withdraw troops from Korea. An outright blockade of China by our Navy could easily have endangered her economic and war potential. Bombing Manchuria's industrial centers and communications would have likewise cut off supplies to her forces.

Thus, there were many who felt that the Korean incident might have been over by this time had we followed that path, and not all believed either that it would have caused a general conflagration had such steps been taken. Some reasoned that if Russia had really wanted war she needed no pretext. For one thing, European armaments, a far greater threat to her than our possession of the strategically useless peninsula in the Pacific, were sufficient reasons for a preventive war. It may be for this reason and others that the President-elect wants to see at first hand what future course should be taken, and it may even be possible that some diplomatic avenue is open, but certainly it can better be determined after all facts are known. General Eisenhower displayed unusual judgment in the European command, and it is, therefore, to be hoped that we may save ourselves further casualties in Korea, and possibly in certain similar territories at some later period.

When our market opened this morning wheat was slightly firmer, and we believe that the government weekly report dealing with the drought throughout most parts of the country had some influence on sentiment. The condition of seeded grain on a nation-wide basis was described as generally fair to poor. In many instances the secondary root system of sprouted wheat is not developing, while topsoil is loose and vulnerable to damage by winds. The Oklahoma report was especially bad, as only half of the intended acreage is seeded in that state, and most of that is lying dormant. In Nebraska, the plant is deteriorating steadily. So we must be prepared for a very bullish report in December following many years of bumper crops. Assuming that we should raise only 500 million bu of winter wheat and a spring wheat yield of 250 million, also adding a likely carryover of 550 million bu next July, it would still give us a total of 1,300 million bu, which would leave 600 million bu for export and following carryover. This, of course, is no calamity, but at least shows a possible trend toward getting our surpluses reduced.

Broomhall reports that the weekly clearances of wheat and flour amounted to 4.6 million bu, which brings the total since last July to 100 million bu compared with 144 million a year ago. Corn exports last week were 487,000 bu, and since the first of October 5 million bu has cleared, which was about the same as a year ago. Since October 1st a little over 1 million bu of soybeans were exported, which also was about in line with the previous season.

Primary receipts of wheat today totaled 915,000 bu vs. 799,000 bu a week ago and 1,365,000 bu the comparable day of last year. So far this week Minneapolis and Kansas City wheat stocks show a net decrease of 627,000 bu.

It was reported during the session that the U.K. bought a cargo of hard winter wheat from the gulf and that 5,000 tons two red winter were sold from the Atlantic. According to the Southwestern Miller flour sales are being consummated only on a limited scale, with the price views of millers well below current levels.

L. J. Norton, economist of the University of Illinois Agricultural Department mentioned that the three main reasons for lower prices of corn as compared to last year are: the larger crop, somewhat lower price for basic commodities, and the change in the general attitude toward price trends. He pointed out that a worldwide decline in commodities has apparently been signalling the end of the long inflationary period that started with World War II.

There was not much feature to the market today. Earlier the corn basis showed strength but little interest was displayed except by industries and the basis declined before end of the session.

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CHICAGO, 4 November 7, 1952

President Truman has asked General Eisenhower to send a personal representative to Washington to discuss budgetary problems for the coming year. The country is faced with a very grave situation in that respect, and particularly since the Republican Party is committed to the reduction of spending for both defense and non-defense purposes. When we consider that from June 1940, when our defense program began for World War II, through June 30, 1952, we find that the aggregate federal expenditures amounted to $646 billion. Of this amount $309 billion was spent since VJ-Day. In other words, in less than seven years the federal government has spent $142 billion more than was spent in all the years from 1789 to 1940. In a little more than a decade the money supply in this country has trebled, while the purchasing power of the dollar has been cut nearly in half. The federal debt per family has increased fivefold and taxes of all kinds more than sixfold. Estimated federal expenditures for this current year are so great that they exceed by more than $3.4 billion dollars the aggregate income of all the people West of the Mississippi River.

There can be no doubt, therefore, that the questions arising in connection with the budget are of the greatest importance. It is true that we have had the longest boom in history; national income and employment have been at new high levels. Unemployment for the most part has been abnormally low, but to what extent this has been the result of federal outlays for war and preparation for war is something that seldom is mentioned. It seems to us that what is overlooked is the fact that in 1939 after several years of pump-priming, there were still about 10 million persons unemployed, or about the same as in 1932, when the Democratic Party came into office. It took a World War to lift this country out of the depressions of the 1930's. While it is a fact that per-family income in terms of dollars is the highest on record yet when corrections are made for the sharp increase in the cost of living and debt, it is found that the net worth of the average family is at the present time 12 1/2% below that of 1939.

Our market opened rather steady following the better trend of yesterday and the somewhat bullish carryover feeling. The drought is serious and moisture deficiency in the past 22 weeks has been very severe everywhere. For example, at Amarillo, Texas, which is the big Panhandle area, the deficiency was 8.73 inches of rain, at Oklahoma City 9.24 inches, Dodge City, Kansas, 8.20, Concordia, Kansas, 10.68, and at Wichita 7.96 inches; even Evansville, Indiana, where there has been more rain than in other parts of the central states, had a deficiency of 4.40 inches. The U. S. Weather Bureau states that the extensive Autumn drought was intensified during the past week and that well moisture and water supplies continue to decline. Most fall grains and pastures remain at a standstill, with some showing deterioration. The past October was the driest on record in many sections East of the Rocky Mountains. Reports from Texas indicate that the past month was the driest of any month since records began in 1888. Even the Northwest suffered; Minnesota had the driest Autumn thus far since the beginning of statewide records in 1891. Thus there can be little doubt that we are going to have abnormal moisture to improve the outlook. There is nothing in sight, and even the five-day forecast is rather pessimistic, although a few light showers are possible for southern Oklahoma next week. Otherwise the outlook is gloomy.

Corn was helped early by light offerings from the country. There were only 2 cars of oats estimated in Chicago today; therefore, we seem to be dependent on Canadian imports, as supplies here are being drawn upon.

Primary receipts of wheat were 1.2 million bu, a little more than last week and a little less than last year. Kansas City and Minneapolis stocks so far this week show a decrease of 1.1 million bu. When the visible supply is posted Monday, it will compare with a shrinkage last year of 5.3 million bu.

Markets were firm at times due to the report of exports. We heard that Portugal had bought some hard wheat via the gulf, and there was also some red wheat sold from Baltimore at 5 over Chicago December. This may have been in anticipation of sales abroad. There was also some corn business to Germany. It seems with the long week-ends traders even-up commitments in the event that there is a change in the weather during this longer period. A few light sprinkles were reported in Kansas, and there is a possibility of some light rain or light snow for western Nebraska by Saturday night, but the experts do not expect any real change. Beans were firmer but volume of trade was small. UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 November 10, 1952

There was rather widespread moisture over the week-end. A good many territories were covered, and to that extent precipitation was more general than had been predicted, but unfortunately the important wheat areas were not benefited as much as we had hoped for. For example, Fort Worth, Texas, had over an inch of moisture but the Texas Panhandle reported only small amounts, probably the heaviest around Plainview, where .40 inches rain occurred, but many other sections received less than 1/4 inch, and in some places only a trace. There was rain in Oklahoma, with the heaviest amount at McAlister, .35 inch, elsewhere lighter. We had a wire from Denver that a party who had traveled from Garden City, Kansas, to his home had noted a nice snow on the way, with the official moisture at Lamar .35 inch, mentioning that it had looked somewhat heavier at Garden City. Topeka, Kansas, reported 1/2 inch rain over the week-end, but lighter amounts elsewhere. It now appears as though clearing conditions were setting in, but at least there had been enough precipitation to create a little uneasiness in the market, as there was also some relief in southern Indiana and southern Illinois, and up the Ohio River Valley. Unless further rains or snows fall soon we may have additional complaints a little later on.

The Department of Agriculture gave the amount of wheat impounded under the loan as of October 15th, and showed 312 million bu taken out of commercial supplies, which compared with 165 million bu the same time a year ago. Other grains showed only nominal amounts impounded, but the wheat figure is rather impressive, as total quantities placed under the loan in any year since 1938 have only been exceeded in 1941, when a total of 366 million bu was put away, 408 million bu in 1942, and 335 million bu in 1949. Last year a little less than 200 million bu was placed under the loan at the peak, but, of course, from the total figures there are always some redemptions, but it takes a rather high price after charges have been paid to bring wheat back into the commercial supply. There have been some estimates that as much as 450 million bu or more might be reached during the current season, and a good deal will depend on the price level.

Our last figure of crop and carryover showed a total wheat supply of 1,553 million bu. On the assumption that 450 million bu might be impounded, and further taking into account 350 million bu that may be exported and a domestic consumption of 700 million bu, it would mean that 1,500 million bu would fall into the latter three categories, thus leaving only 53 million bu free wheat on hand on July 1, 1953, unless there would be redemptions in the meantime. Of course, we may be a little high on the export figure, and we may be too liberal in the amount that goes into the loan, but at least we are painting a picture to show that an artificial situation might still take place before another wheat crop is harvested.

According to our local newspapers, efforts will be made to keep lake navigation open longer than usual, and we understand that the Coast Guard will provide ice breakers in an effort to keep the Great Lakes navigable until early January. The Coast Guard has agreed to clear the channels and liberate any freighter caught in an early freeze. This we understand is designed to assist steamers that are carrying iron ore, but the problem of moving thousands of bushels of late grains may also be solved. One of the largest grain storage fleets is scheduled to anchor at lower lake ports.

The visible supply of wheat decreased more than 3 million bu, leaving total stocks 253 3/4 million compared with 188 1/2 million last year. In Chicago, there was hardly any change. The corn visible increased 8 1/2 million bu but Chicago stocks increased only 308,000 bu, which is not much but apparently storage is the paramount issue. The oat visible decreased 1.4 million bu, of which 600,000 bu was here in Chicago.

Trade was extremely moderate, possibly evening-up prior to the holiday except for some early selling of wheat based on the weather. Rains in our opinion were not sufficient. There was some export business in corn, with the U. K., and Ireland buyers, but this did not have much influence on prices and corn sagged off with hedges apparently coming into the pit. There was weakness in beans, some of it in sympathy with the bearish cotton report, the government estimating the crop at nearly 15 million bales.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4 November 12, 1952

Prime Minister Churchill won a vote of confidence yesterday in Britain, and the question arose as to whether the steel industry in Britain should be denationalized. Here at home conferences have started between President Truman and representatives of General Eisenhower with respect to an orderly transition when the Republican Party takes over the reins of government next January. We do not know how much can be accomplished but we are mindful of Mr. Eisenhower's campaign pledges, one of which stated: "We will establish efficiency in government in line with the Hoover Commission but will go further and see that this Federal Government is not taking over functions that they have no business performing. They should be returned to the states and municipalities." On another occasion he declared: "The foundation of military strength is economic strength. A bankrupt America is more the **Soviet** goal than an America conquered on the field of battle." With these factors in mind, there seems to be some confidence that even with our heavy commitments we shall be able to cut both defense and non-defense expenditures at least to some extent.

Our market this morning opened rather firmly and was influenced by dry weather over the holiday, with milder temperatures prevailing and no rain in sight. The five-day outlook is likewise pessimistic, and there is no precipitation in sight during this period. This led to some buying of July wheat and other futures were also influenced. While one cannot ignore the slow export demand, the poor flour business at hand, and the drag that red wheat is exerting on the market, yet we must call attention again to artificial factors that are bound to have some influence as time goes on. As we stated on Monday, there is 312 million bu wheat impounded under the loan as of October 15th. Chances are that with the present price level more advantageous to farmers in taking the loan than to selling on the free market, this figure may be expanded considerably before end of January, at which time the program ceases to function for the current season. This, however, is only part of the picture. The government holds 142 million bu wheat from previous crops and thus there is actually 454 million bu already taken out of commercial channels. It seems likely that another 100 million bu may be involved before we have finished, and barring redemptions that could occur later on, this would finally mean that almost the entire carryover would be under government domination except for the quantities that CCC sells from time to time, and the later redemptions that would occur if the price level advanced.

It was reported early that the U. K. had bought a cargo of corn for December shipment via the gulf, and Israel was reported to have bought late Monday a total of nearly 2 million bu wheat and flour, the latter being quite sizeable for that country. Holland also was reported a buyer of soybeans, having purchased a cargo via the Atlantic. After the close today the government report will be issued, estimating production of corn, soybeans, and grain sorghums. This may have caused a little hesitancy on part of traders.

As the trading session progressed prices became stronger than earlier in the day, probably influenced by dry weather in the country, and particularly in the hard winter wheat belt. New seasonal high prices were established for both May and July futures. There were general advances in our other grains, some of them influenced by strength in Canada where some of their barley, oats, and rye futures also made new seasonal highs. Chicago July rye was in this group too. So far as the Canadian grains are concerned, they have been selling much cheaper than our futures; in fact, this country has been a steady importer of oats and barley, and while some rye has found its way to this country the quantity has been small, but our prices have been at practically a shipping difference over those in Canada. Canadian barley has been exported heavily all season and sales continue to be made for seaboard clearance next May, as this Canadian grain has been both in large supply and selling at a low price as compared with other grains.

Primary receipts of wheat posted today were 1,353,000 bu, down about 300,000 from both last week and last year. Stocks in Kansas City and Minneapolis have both decreased so far this week, the total being 322,000 bu.

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CHICAGO, 4 Nov. 13, 1952.

Inflationary tendencies have been part of our economy for such a long period that it is difficult for a good many people to sense even a partial turn, probably due to the fact that expenditures are still heavy, and despite a Republican victory it remains to be seen how effectively we may be able to make a change. Defense expenditures are apt to increase during the next six to nine months and the federal Treasury is still operating at a deficit. On the other hand, events of the past year have demonstrated the ability of this country with its immense productive capacity to carry on defense work and to increase its industrial plants, even sustaining a high level of domestic consumption without much difficulty. Actually certain goods are already in excess of the markets' capacity to absorb them at prices that are demanded.

In looking at the commodity index we find that there was a rise in staple commodity prices from the time the Korean war started to the peak in February, 1951, which averaged 48%. This is according to the index of twenty-eight staples compiled by B. L. S. - At the end of the last month we had retraced our steps and thirteen of the twenty-eight commodities had dropped back to the pre-Korean level, or even lower. The principal declines during October were in cotton and in corn, reflecting the large crops, but there were also revisions in such commodities as lead and zinc.

Yesterday, for the first time in many weeks, wheat prices advanced rather sharply, and this in our opinion was due to dry weather conditions, which were not only prevalent in the Southwest, but which have been nationwide. While it is too early to forecast a disaster for next summer's crops, nevertheless it is an unhealthy situation when wheat does not germinate properly during the fall months. For example, the Kansas weekly report spoke of entirely insufficient moisture for the needs of the 1953 wheat crop. This report called attention to the fact that germination was only possible on shallow planted wheat in a few eastern areas, but stated that unless additional moisture is received soon plant growth will not be sustained. There was a happier note in the news this morning, with a low barometer in sections of the country suggesting that, despite yesterday's pessimism for no change in the weather, we might experience some rains in the Southwest, particularly in the northern areas of the belt. This had some influence on July wheat, which is more sensitive than the other futures in trying to anticipate what may occur next summer, but, of course, the nearby deliveries were likewise influenced to some extent.

There are other factors, of course, and the artificial ones should never be ignored because since 1938, high parity and high loans have done much to give us artificial markets. The largest quantity of wheat ever impounded during any season was 408 million bu in 1942, or over 25% of the domestic supply. This year even more may go into the loan, plus the fact that the government still holds 142 million bu from previous seasons; thus there may later be a scarcity of free wheat unless we get substantial redemptions, or unless CCC sells part of its supply. U.S. exports to date, according to Broomhall are 104 million bu wheat and flour compared with 152 million last season. Only about 4.1 million bu cleared last week, and recently Canadian competition has been more of a factor.

Primary receipts of wheat today were 930,000 bu, which was about the same as last week, and compared with 1.6 million bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 544,000 bu.

Very little attention was paid to the government report issued late yesterday. The corn crop of 3.3 billion bu, while larger than the month before, had been expected. This was probably more than offset by condition of pastures which was 56% of normal compared with 79% last year. The dry weather has taken a heavy toll, and therefore, substitute feeds will probably be more heavily consumed. Oats likewise were higher; in fact, the whole market had a rather firm undertone, except that there was a little hesitancy in wheat owing to the fact that moisture may develop. During the session the Weather Bureau reports were fairly optimistic that western Kansas, western Nebraska, and parts of Colorado might be benefited. By Sunday, this could spread a little farther south, but in any case, there may be a change in the making.

Spot corn prices were a little firmer, but flour business is still rather slow, and even replacements are on a limited scale. The bean market was quite strong, probably helped by a firmer market in meal, and altogether there is not

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CHICAGO, 4 Nov. 14, 1952.

While much has been said about the dry weather it must be admitted that it has been favorable for harvesting fall crops in practically all areas. Work progressed rapidly and generally, although dry soil conditions delayed the seeding of fall sown grains and winter cover crops in a good many areas. Also, the usual fall plowing has been prevented in some sections. Western rangers are moving livestock to winter quarters, marketing livestock, and preparing feed and shelter for wintering of livestock. The stock water situation is serious in several areas, especially the Southern Great Plains, where it is necessary to haul water for the animals.

In spite of rather general activity, the number of persons working on farms has been cut to 11,364,000 persons in the country, which was a cut of more than 1 3/4 million under the harvest season peak a month earlier, but this followed the usual seasonal trend. The decline in persons working on farms represents a 14% drop from last month and is 3% below a year ago. We have commented several times in these letters how farming conditions throughout the country have changed so much during the past one hundred years. For example, in 1850, 70% of the population lived on farms; today, there are only 18% of our people living on farms. Despite the growing population, now estimated at 157 million persons, we have only about 24 million of them on farms, which shows the tremendous efficiency that has occurred. In 1910, with 92 million persons in the country, there were 32 million of them on farms, and there could only be this improvement in the ratio by virtue of the fact that farm machinery, including tractors, combines, etc. have reduced the amount of manual labor necessary today.

Despite the large corn crop, which is estimated to be the second biggest in history, we find that harvesting has about neared completion in many districts and indications are that the moisture content will be unusually low for this early in the season. While weather had been inclement for germination of the wheat crop, it was ideal for corn, so that each day of nice sunny weather increased the condition of the crop, and because of the high quality it may add many a pound to beef, hogs, and poultry production, also to dairy products. Soybeans and flax also made a good showing, as weather was favorable for our harvest and quality likewise is good.

When traders came to their offices this morning they found that the rainy condition which had existed on the Pacific Coast had been working eastward, but thus far precipitation has not been reported over the Mid-West, and it is not likely that central and western sections of Kansas, Oklahoma, and Nebraska will be benefited to any extent, although rains are likely for the eastern parts of those states. It is quite possible also that moisture will visit many parts of the corn belt. There was a little disappointment expressed in opening quotations, but possibly a somewhat higher opening may have been due also to reports that Brazil had taken about 2 million bu wheat from this country, and also a cargo had been sold to the U. K. for last half December shipment via the Gulf. Belgium bought a few small parcels of corn, and Germany purchased three cargoes, but there was very little activity in the pits, and this has been the general procedure for some time with not nearly the activity in the futures markets that is often expressed when large export orders have been executed.

A development in protein meal probably had a bearing on our soybean meal market, and in turn may have affected prices of soybeans. A round lot of cottonseed meal was tendered to the government in California on their package support of cottonseed oil, linteres, and cottonseed meal. We understand this is the first such tender of meal in that area, with the request that the government furnish shipping instructions. Heretofore, when oil has been tendered the meal has been bought back from the government, which is a permissible condition of the contract. We hear that such a condition also exists in the southeastern part of the country. Some significance is attached to this, inasmuch as soybean meal had shown some strength in recent days, and while the two are not too closely connected, because of the distance between the locationof the major markets of these two products it at least indicates a sectional change.

There was a moderate improvement in Chicago cash corn, no doubt the result of smaller receipts and light bookings from the country. However, the Ohio area continues to offer corn to eastern destinations at considerably cheaper prices than Chicago shippers can sell.

Stocks of wheat in Kansas City and Minneapolis have decreased 834,000 bu so far this week, indicating a decrease in the visible supply, but probably not as much as 6,969,000 bu a year ago.

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CHICAGO, 4 Nov. 17, 1952.

After the middle of last week the weather map showed a rather definite change, and for the first time in many weeks indicated that the drought was gradually breaking, but following a long period of dry weather both official and unofficial forecasters were reluctant to become too optimistic in their views. Over the week-end there was a fair amount of rain mixed with snow in many parts of the Southwest. We would say that central and eastern portions of Kansas probably fared the best, although Oklahoma and Texas were not favored to any extent, but it is still considerably cloudy over Texas today and scattered showers are predicted for that state. The west Texas forecast calls for partly cloudy and colder weather, with widely scattered thunderstorms this afternoon and tonight. The 30-day forecast, which is regarded as more of an outlook than a definite prognostication was quite hopeful that over most of the nation precipitation would exceed the normal, and would provide substantial relief from the drought in many areas. However, they said that subnormal precipitation is indicated over the south Atlantic states, and also, in the Northern Plains. Goodland, Kansas, which is in the western part of thestate, reported that in near-by areas half an inch of moisture in the form of rain or snow had fallen, and at Great Bend they had 1 1/2 inches, while Coffeyville, Kansas, in the southeastern part of the state spoke of a group of surrounding territories that had reported heavy precipitation, and it was still raining, so that all in all we have had rather widespread relief, although it will still be regarded probably as insufficient in view of the long dry spell.

Our market this morning was naturally influenced by this change, and beans also yielded some gound, but corn was helped by reported export sales to Ireland and some local buying, with the early spot corn bid 7 to 7 1/2¢ under, which still indicates that storage is an important element for the time being, and we hear of some wheat that is being offered out of Chicago on a rather cheap basis to make room for corn. It may take time before beans come into their own, as after all a crop of 289 million bu will be the second largest on record. This is 3% over the supply for last season, and it remains to be seen how rapidly processors make inroads into existing supplies. Last season we crushed 244 million bu, which was about 7 million less than the previous year's record. It is true the ten-year average soybean crop in this country was only 202 million bu, but it is likewise a fact that our consumption with larger population and more feeding has also increased rapidly, so that large crops have been raised and yet were not a drug on the market. We have never built up large reserves at the end of the season as was sometimes the case in wheat or possibly in corn.

There continues to be a large quantity of Canadian oats bought, which is hedged here in Chicago. Some of these December hedges are being changed over to March at about 4 3/8¢ difference. Apparently, it is felt that March oats at a premium are a better sale in Chicago than the May, and we ourselves should not be surprised to see a carrying charge later on, particularly if more oats come down from Canada.

When the visible supply of wheat was posted there was a decrease of 3 million bu, of which 200,000 bu was here in Chicago. There is about 16 3/4 million bu left here and total supply is 250.7 million, or 69 1/4 million larger than last season. Oats decreased a million bu, of which nearly half was here in Chicago. We believe that elevators are selling both wheat and oats to make room for corn. Chicago stocks of corn increased 1.2 million bu and the total increase for the country was 7 1/2 million, raising it to 44 million compared with 38.6 million last year. There was a small increase in beans locally, and might have been more had there been space.

During the session there were further reports of moisture in various parts of the country. While the western sections of the belt have not had too much relief, it was figured that the drought is at least partially broken, and with flour sales over the week-end rather small there was only a limited amount of buying. Corn held reasonably well considering the sharp break in wheat, and while the rains may help pastures it is quite late in the season. Previous reports showed that in Oklahoma pastures were only 28% of normal, Texas and Arkansas 30%, indicating the seriousness of the weather up to now. Beans had a very good undertone, and there is still a very large open interest in November, with tomorrow the last trading day before expiration. Apparently a few shorts today became nervous and covered commitments or else went into the deferred months.

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CHICAGO, 4 Nov. 18, 1952.

Henceforth, the closing time on the Chicago Board of Trade and in the other futures markets of this country and in Canada will be 1:15 P. M. Central Standard Time for major grains. By a ballot of the membership yesterday, when nearly 900 votes were cast, a very close margin turned the closing time back half an hour, effective today. As matters now stand, we shall serve the public 18 3/4 hours per week, not a very long period for handling of business of such great importance, but time alone will tell whether we can properly function on this new schedule in view of the Saturday closing. The Stock Exchange will permit 27 hours of trade for its members, the Cotton Exchange 25 hours, so apparently there is still a wide difference of opinion on this question.

When our market opened this morning it was influenced by the weather map, and while good rains had fallen over the corn belt and over central and eastern sections of Kansas yesterday, precipitation in the west, and in fact over Oklahoma and Texas was entirely insufficient. Therefore, the drought is only partially relieved and the forecast for rain in the Texas Panhandle had failed to materialize. Wheat prices were a little higher at the start but there was no export buying of consequence, and it is still difficult to invite much new mill buying at present levels; consequently, not many commercial hedges are being lifted at the present time. Two cargoes of corn were reported sold via the Atlantic to the U. K. but our total corn exports for the year will probably not exceed the imports of oats and barley from Canada. So we must rely mainly on the domestic disappearance of corn but on that score consumption is apt to be heavy, particularly as the condition of pastures has been low and the number of animals to feed is still extremely large. For the past few years we have consumed more corn than was raised, but this season with a corn crop of 3.3 billion bu we shall probably have enough to go around and may, consequently, not cut into our reserve stock again. In fact, shall probably increase it.

IWA discussions had been scheduled for early January but are probably going to be postponed until some time after the new administrationis seated. Importers continue to strive for low prices, which would mean large subsidies on wheat exported from the U.S., and at present they are averaging about 60¢ a bu, quite an expense charged against U.S. Treasury funds.

There was a little pick-up in farm selling, possibly spurred by the change in weather, but once wheat goes into the loan it takes a rather high price to bring about redemptions, and there is no great amount of pressure; in fact, Kansas, according to the last report, had 114 million bu wheat under loan from this year's crop, and chances are there were also additional quantities from that state which are owned by CCC. For the six southwestern states the total amount of wheat impounded was 215 million bu, and this undoubtedly is the reason for relative strength in Kansas City as compared with Chicago. The spring wheat states have 39 million bu impounded, Pacific and inter-mountain states a like amount, but there is only 16 million bu in the states east of the Mississippi River. Thus red wheat continues to be mostly free, and, moreover, the crop was about 50 million bu larger than last year, so that Chicago futures have been relatively weak compared with both Minneapolis and Missouri River markets.

Primary receipts of wheat were 1.1 million bu, which was a little more than last year, with a holiday last week. Kansas City and Minneapolis stocks so far this week show a total decrease of 194,000 bu.

Markets were rather firm, the fact that many sectionsof the country had not received rain probably tended to bring a little buying into the wheat pit, but the cash basis at Kansas City was a little easier again, and flour business was very disappointing. Even a decline of as much as 7¢ per CWT in flour costs did not furnish much encouagement to buyers. Corn prices were very firm, and the spot basis was 2 to 2 1/2¢ better toward the end of the session than it was earlier in the day. Beans were not too active, and there was little feature. At the opening of the market this morning there was still a very large open interest in November; however, trade settled out with very little confusion, despite the fact that a good many people waited untilthe last minute before evening up commitments. The nearby delivery expired at about a full carrying charge under January.

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CHICAGO, 4 November 19, 1952

The Directors of our Exchange adopted a regulation yesterday whereby grain warehouses not adjacent to waterways would be declared suitable for storage of grain for delivery on futures contracts. Apparently this decision was reached owing to the fact that with the large crops that have been raised in recent years there has hardly been enough storage room in Chicago to take care of the supplies against futures contracts. It is likely that with the additional amounts under consideration we shall be able to apply 9 million bu more than previously, and thus enlarge the scope of the futures market. A regulation of this kind would become effective on contracts after September 30, 1953, and, of course, the delay is due to the fact that no change is permissive on contracts that have already been negotiated. Here recently grain has been sold out of Chicago at wide discounts under the future in order to make room for other grain that had to come in, and up to the present time no warehouse for grain storage could be declared regular for deliverable grain unless it could be reached by vessel as well as by railroad facilities.

This, of course, did not have any particular influence on our market this morning, but clear weather which prevails all over the country had more effect. It appears as though the same weather conditions would continue for the next three days. Altogether the recent rains had been beneficial in the districts that were relieved but the precipitation has given only temporary relief in some areas. According to the government's weekly weather and crop report rains during the past week were too light, particularly in the southern portion of the Western Great Plains. The outlook in much of the central and eastern portions of the country was improved by light to heavy showers. In the Pacific Northwest the rain sprouted small grains that were seeded in dust, stimulated growth, and facilitated soil preparation for additional seeding. However, in many areas, notably eastern sections of Washington and Oregon, moisture was not sufficient to penetrate to subsoil. The worst district is Texas and Oklahoma, which had so little rain, and the drought in those states has been continuing for many months. More moisture is imperative to permit development of the root system. Some additional acreage in Oklahoma has been seeded during the past week, but that, too, was in dust rather than in receptive soil. About two-thirds of the intended acreage has been seeded in Oklahoma, but apparently only a small percentage has germinated. When the government report gives the condition and probable yield for next year's winter wheat crop in December, the report will probably be pessimistic in relation to what we have had in recent years. Some are looking for a crop of only 600 million bu. Of course, the situation in the Central States has been mostly good, particularly in the districts east of us where we understand that the wheat plant looks about as healthy as it did a year ago. If we should raise 200 million bu of soft winter wheat again next summer, it might well place the Chicago market at a disadvantage in comparison with the Missouri River markets, as far as price is concerned.

Broomhall's Foreign Crop Summary spoke of cold weather over much of Europe, with snow in a number of sections. Seeding was completed or had neared completion in many countries, although there were a few backward areas. On the whole moisture supplies appear to be good.

Primary receipts of wheat were 531,000 bu, which was very small; this compared with 1,353,000 bu last week and 836,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 446,000 bu.

After mid-session markets turned weak, with oats taking the lead. It was reported that 860,000 bu had cleared Canadian ports for South Chicago yesterday. We understand that there is about 15 million bu at Ft. William, and apparently a heavy movement to American ports is expected during the next ten days. This caused some selling also of corn in a market that was not well supported. Wheat and beans also shared in the decline but later recovered. Wheat met support on a late report that Egypt had purchased a cargo of red wheat, while the U. K. had apparently purchased 3 cargoes #2 yellow corn via the Atlantic. The oil market was very strong, and with the neaby delivery selling at a premium compared to a discount last year, the situation seems to be rather sound.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, 4 November 20, 1952

Weather news was of about the same tenor this morning. It was clear in practically all sections of the wheat belt. Temperatures are not apt to change to any extent, nor is there any further moisture in sight. As we have pointed out repeatedly, condition of winter wheat is probably most severe in Texas and Oklahoma. In the latter state moisture supplies are extremely low everywhere. Recent rains provided temporary relief in a few eastern counties, which permitted germination, but there is no change over most of the state, and the drought condition has prevailed since early in June. Therefore, a good many people are beginning to worry as to how much of a crop can be raised next season. We would say that the situation in the Texas Panhandle is very similar, and inasmuch as a good deal of the acreage was "dusted in," it may well be said that the fall of 1952 has been about as unfavorable as any planting season on record, at least as far as small grains are concerned.

We are making inquiries of plant physiologists in some of the Agricultural Schools to try to find out what the chances are of getting average returns if there should be good snows during the winter followed by normal rains in spring. There are several schools of thought on this question, and while it is generally felt that wheat that sprouts in the fall will naturally do best, we have had one or two exceptions, notably, in 1940, after a very inauspicious start. There are those who feel that if the seed is subjected to high cold during the winter months, it might not necessarily have to sprout in order to produce proper plant development. We have heard of experiments along this line where seed was put in a refrigerator and planted in the spring with the result that a crop was raised, but, of course, this would not be the preferable method of handling crops, but we mention it to show how hardy winter wheat actually is.

The wheat and flour exports from this country were 4.8 million bu during the week, according to Broomhall. This brings the total since last July to 108 3/4 million bu compared with 159 1/2 million a year ago. Since the start of the world crop season, which is August 1st, total world shipments have been 231 million bu compared with 292 million bu a year ago, indicating that importers' demands are not as great. However, we know that smaller amounts are going to India, which last year was a big factor. Our own wheat shipments have been considerably smaller during that period, although Canada has shipped 112 1/2 million bu compared with 95 1/2 million last year, while Australia furnished 20 million less, and Argentina shipped nothing; last year they cleared 18 3/4 million bu. Our corn shipments last week were quite heavy and amounted to 2.2 million bu. Since October 1st, we have shipped 9 1/2 million or slightly more than last year. Our soybean exports for the week were 578,000 bu, and since October 1st the total was 1 3/4 million vs. 2 3/4 million a year ago. There are practically no oats being exported, and in fact, we are on the other side of the ledger with considerable quantities coming in from Canada. In spite of the small rye crop we have shipped 1 1/4 million bu abroad, which is somewhat larger than the season before. The heaviest wheat business at the moment is being done by Canada, and her clearances for the week were 11 3/4 million bu.

The Chicago corn-hog ratio for the week ending November 15th was 10.8; a week ago it was 11.2 and a year ago 9.7.

Primary receipts of wheat were moderate at 857,000 bu compared with 930,000 bu last week and a holiday last year. Markets were generally on the down side, and were very likely influenced by brighter prospects for a Korean peace. The Indian proposal, while not acceptable to the U.S., has been favored by France and Britain, and there was some thought that U N action might have an influence upon us. Beans were under pressure, and some of the processors seem to be supplied for several months ahead, although recently some export business has been put through, but like corn, most strength will have to be derived from domestic demand. Germany bought three cargoes of corn via the Atlantic, and the U. K. also bought a cargo, but this had very little influence, even though some hedges may have been covered. There was a parcel of #2 red wheat sold to Norway, but generally speaking prices at the seaboard are far below Chicago replacement.

Flour business is dull, but in some instances shows improvement, and apparently bakers' stocks are being depleted. The cash basis in the Southwest was somewhat lower, while the demand for red wheat in Chicago is poor. At the moment there is no particular incentive to make purchases, although we feel that heavy impoundings must be taking place, and this could easily have a bearing on the market later on.

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November 21, 1952

General Eisenhower's new Cabinet is gradually taking shape, and for Secretary of State, John Foster Dulles is well descended, as several of his ancestors have held similar posts. Chances are that he will seek an aggressive foreign policy, and will reverse methods that had been tried during the past administration; in other words, to keep Stalin guessing about what the U. S. will do next, thus taking the initiative in world affairs. Until now Russia has been able to keep us on the defensive, and we have, therefore, been busy trying to hold the western nations together. It is difficult at this juncture to appraise peace efforts, but apparently this is a major market factor, and as we pointed out yesterday, psychologically an end to a conflict is generally regarded as meaning lower prices. We cannot overlook the fact that defense spending will probably keep rising until the third quarter of 1953 even if there should be peace. Total spending, which includes private and public disbursements, has reached a record annual rate of $343 billion in the third quarter of 1952. By some experts it is expected that such spending will rise to $366 billion by next spring. Consequently, general business may keep up pretty well during the foreseeable future.

There was no rain overnight and none is iindicated for the next twenty-four hours, but the weather map is shaping itself a little more favorably, and possibly by Sunday or Monday a change will occur again, bringing rains into the Southwest, and in fact, the five-day forecast is optimistic in this respect. Up to now Nebraska has had only 72% of normal precipitation during the period from August to October, Kansas 49%, Oklahoma 36%, Texas 34%, Illinois 59%, Indiana 81%, Ohio 76%. From these figures it can be seen that our moisture picture is very bad. We learned from one of our friends in Canada that the fall rains which occurred this year after harvest and before the freeze, or in other words, the precipitation during August, September, and October amounted to about 80%, of normal for the three Prairie Provinces. This compared with 161% last year. Fall rains, as we have often pointed out, are most important, and very likely last summer's bumper crop in Canada was due to the wonderful precipitation that fell a year ago. These fall rains constitute reserve moisture for the crop even though it is not seeded until the following spring.

Primary receipts of wheat today were 984,000 bu compared with 886,000 bu last week and 1,767,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 837,000 bu. When the visible supply of wheat is posted on Monday it will compare with a decrease last year of 2.8 million bu.

Our markets today were neververy firm and liquidation of December contracts has started somewhat earlier than usual. It is generally figured that as much as 3 million bu of wheat may be tendered on December 1st. This is due to the fact that some of the elevators probably have a lot of money tied up in commodities, and realize that there is little chance of red wheat moving out in view of the poor demand. There is apt to be some corn delivered also, but with the spot premium basis improving nobody can be too certain on that score. There has been some export business, with Germany purchasing a cargo of #2 hard wheat via the Gulf, and recently Egypt booked several cargoes of soft wheat, including red and white, Austria is expected to buy six cargoes of corn next week and shipments of corn are apt to be a little larger than last season owing to the fact that feed grain crops in Europe were adversely affected by weather, and besides we will not have much milo to ship this year, owing to the small domestic crop. However, it will take time probably before this is felt in the market, as temporarily supplies are large and the government continues to sell some of its holdings. Flour sales were extremely light, and there is not much enthusiasm amongst bakers for adding to their contracts, according to The Southwestern Miller.

Toward the end of the session there was news from the UN to the effect that the U. S., together with seven others, was looking more favorably upon India's proposal, but that two substitute motions had been appended to the document, and it remains to be seen whether this will be acceptable to the Soviets, or whether the changes will meet with favor from India. It remains a fact that the longer wheat prices remain low between now and the end of January, the more incentive is offered farmers for impounding their grain.

Receipts of corn in Chicago were lighter, but shortage of space may have something to do with the situation.

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CHICAGO, 4 Nov. 24, 1952.

The International Wheat Agreement is coming up for renewal, and there have been numerous delays owing to the fact that there are so many countries involved and their interests are not always similar. In 1949, the writer was asked to comment onthe likelihood of success before the Chicago Association of Commerce. At that time this thought was expressed: "It is doubtful if agreements which attempt to forecast prices and price ranges over a long period of years can successfully resolve the conflict of interests between buyers and sellers. In the market-place these conflicts are resolved by the check book. In state trading they may well contribute to international ill will." We still believe that unless prices for goods and services other than wheat can be stabilized in equitable relationship to wheat prices that wheat prices may be stable but they cannot necessarily be equitable. Apparently some of the larger exporting countries are not looking too favorably upon continuation of the Pact. The Right Honorable Mr. Howe stated in Canada some weeks ago: "We (Canada) shall not be easily satisfied. While renewal would be good for Canada and for the world generally, Canada could get along without it and its renewal can by no means be taken for granted."

From all the gossip that is current, the Australian farmers seem quite dissatisfied with the Wheat Agreement results, particularly with respect to price, while the U.S. government is also somewhat unhappy in paying the high subsidy on exported wheat. As for our own outlook, if we are going to have high prices at home under parity and continued high loans, it is almost a foregone conclusion that large acreages will result unless there is some compulsory curtailment. Should we continue to raise large crops under normal weather conditions, big exports are also necessary to prevent large accumulations at home. We have found it necessary to ship about the equivalent of all the wheat raised in Texas, Oklahoma, Kansas, and Nebraska, in order that surpluses would not pile up in our own country, and since Britain and other countries are insisting on comparatively low prices it appears as though some sort of subsidy would probably have to be made. The only bright hope is that the world's population is day by day increasing, and thus tending to improve world demand for wheat, although we read repeatedly that European acreage may be increased in order to conserve dollar exchange.

Our market this morning opened rather weak despite disappointing news on any further agreements on the Korean peace efforts. Rains had fallen somewhat unexpectedly over the corn belt and were quite heavy in many parts of Texas, Oklahoma, and Kansas. The Texas Panhandle did not receive as much precipitation as some of the other territories, but Oklahoma was materially benefited, and some rather encouraging messages came from that state. A slow but good rain fell all day yesterday over southwestern Oklahoma and is wonderful at this season before the ground freezes even though coming later than one would like to have it. Soybean prices were a little lower after the opening, probably in sympathy with wheat, although a cargo was reported sold to Denmark and our advices are that the movement of both beans and corn from the country is rather light.

Soybeans, however, firmed up and received rather good support from commission house buying. The advance may also have been prompted by an allocation of $3,500,000 for beans to be shipped to Formosa. The corn market did rather well but the spot basis declined somewhat from Friday. Receipts were moderate and it was noted there was an increased amount of CCC corn contained in them.

The arrival of two cargoes of oats from Canada which are still afloat brought a net increase in the Chicago stocks for the week but there was a reduction of 461,000 bu in the in-store stocks to partly offset the 860,000 bu afloat. It is understood that these steamers will be unloaded and probably one of them will be loaded again with wheat for winter storage in this port. The oat visible supply decreased over a million bu, leaving close to 24 million bu in all positions, which is about 1 1/4 million bu less than a year ago. There was a general decline in wheat, visible supply points totaling 4 million bu, but still there are stocks of 68 million bu more than last year. Chicago stocks declined 174,000 bu, leaving 16 1/2 million bu in this city. Corn visible supply showed a large increase amounting to almost 7 million bu, giving a stock of 51 million bu for all visible supply points which is 11 1/4 million bu over last year. Chicago has stocks of 8,318,000 bu, or 648,000 bu increase for the week.

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CHICAGO, 4 Nov. 25, 1952.

For months we have called attention to the fact that Canada was bound to be a heavy competitor of ours in the exportation of wheat, and that probably the only restraint on their shipments would be the ability of getting grain to the seaboard. Every successive crop report in Canada has shown larger yields, and now we find that their total wheat production has reached nearly 688 million bu, which is 136 million greater than last year, and a new all-time record by a wide margin. Moreover, it was possible to gather the crop successfully, whereas a year ago snow had fallen and a good percentage of the crop was subjected to the elements all during the winter. We expect that for the first time since the war Canada will export more wheat than the U. S. Our own shipments are likely to be 325 million bu, including flour, while Canada may place 400 million bu afloat, and thus assume her former place as the largest exporter of any of the surplus nations. There are veryfew ECA dollars to handle U.S. shipments abroad, although permission is being given in some instances for wheat purchases to be financed through MSA. Canada, therefore, need no longer quote wheat at anything but the smallest discount below the American price, at least so long as her surplus is moving out satisfactorily.

The European buyer is not entirely satisfied with the outlook, despite large crops and surpluses in North America. He is wondering whether cheap wheat will permanently be a thing of the past. Prices in Britain are five times as great as they were before the war, and in all exporting countries prices are controlled through government monopolies, which seem to be coming more and more under the control of farmers themselves. The new projected stabilization scheme in Australia will be administered by a farmer-controlled wheat board, while in Canada growers are always pressing for greater representation on their own Board. President Peron of the Argentine recently stated that it is the eventual aim of his government to hand over the marketing of all agricultural products to the farmer. Whether these tactics are helpful in the long run remains to be seen but with wheat-bread becoming a luxury food for many European countries, Broomhall suggests that the solution of the problem may be for importers to grow more wheat of their own or possibly to seek an alternative food or else to hold back until the law of supply and demand can break through the monopolies.

Russia's flat rejection of India's compromise proposal on Korean prisoners of war dimmed truce hopes, and may have induced some buying. Traders felt that December wheat having made a season's low yesterday was so far under loan levels that reactions might be in order, despite further rains and snows over a wide territory. There was 3/4 inch additional moisture over much of Oklahoma, up to 4 inches of snow in the Texas Panhandle, and varying amounts elsewhere, so the drought is effectively broken. Surely this factor should improve prospects for the 1953 wheat crop.

Before the opening it was reported that the U. K. had bought a cargo of #2 yellow corn via the Gulf, and there was some buying of hedges, also some speculative buying of beans with the result that upturns were quite general in all pits.

The five-day weather outlook expects further precipitation will follow, but less attention will be paid to that factor as recent relief has been substantial.

Primary receipts of wheat were 1,365,000 bu compared with 1,144,000 bu last week, and 1,599,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 252,000 bu.

Markets were all rather firm, soybeans were in the lead, and were probably influenced by higher prices for oil and meal. There were further reports during the session that it was snowing in parts of Kansas and Oklahoma, with high winds blowing around Hutchinson, and some of the snow was drifting, but in any case, this was protection and valuable moisture. However, it had very little effect as there was a good demand for wheat, mostly from speculative sources, and we heard of no general buying against flour sales or export business. Chicago stocks of wheat are 16 1/2 million bu, and some of the recent disappearance from here will accommodate other grains, so there is really no reason to feel that the local situation has changed much.

Buying of corn futures was quite general, and both speculators and commission houses seemed to be on the constructive side of the market. The fact that prices failed to break yesterday when wheat was so weak probably instilled confidence; also the fact that the cash basis has improved so during the past week, with country movement light, is rather indicative. It was reported that 350,000 bu of rye was headed here from Canada, but in spite of this factor the market was very strong and prices were considerably higher. UHLMANN GRAIN CO.

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CHICAGO, 4 Nov. 26, 1952.

Radio announcers were all busy telling of the blizzards and winter weather conditions over many parts of the West. After the long drought we seem to have had a considerable amount of snow in Kansas and Nebraska, and in fact, it even extended as far South as the Texas Panhandle, with 4 to 10 inches reported by the Weather Bureau in many parts of that state. Chances are that clearing conditions will set in followed by fairly low temperatures and zero readings in some sections, but where the snows have fallen they have given protection to the plant and should cause no concern. One authority in Amarillo, who is connected with the Texas A & M Extension Service, voiced the opinion that moisture throughout the state of Texas would probably result in an increase of nearly 1.2 million acres for the 1953 wheat crop. He figures that there will be a total of 4.8 million acres seeded all told, and even assuming that the final yield was only 12 1/2 bu per acre, it would certainly make for a larger return than that state has seen in several years. The entire outlook has been improved, and while many had looked for a pessimistic government report on December 19th, one must now revise all calculations even granting that the preliminary estimates are more or less guesswork. Nevertheless, these condition reports are somewhat of a clue as to what may be expected, and they, too, have value on a comparative basis.

In yesterday's market there was a good deal of short-covering probably influenced by more pessimistic news on the Korean peace situation but until there is some sign that Russia or China is more eager to end hostilities, we doubt whether anyone can feel very much optimism, and we were somewhat surprised the other day that the selling should have been as extensive as it was, although part of it may have been December liquidation. Some days ago we pointed out that in addition to the 312 million bu wheat impounded under the loan October 15th, and additional quantities that must have gone in since that time, there was about 142 million bu held by CCC from previous crops. Some of the latter holdings are now being sold under the G.R. 212 program, with indications that the federal agency is more anxious to sell through exporting channels. We can hardly blame them for this move because they must realize that they will fall heir to large amounts of wheat again if the price stays low. It is, however, a two-edged sword in that the more wheat they sell from other years, the longer prices may remain depressed, and as long as prices to farmers are unattractive for actual sales, chances are impoundings will continue to grow. So for that reason Commodity Credit is lessening its holdings on the one hand, but subjecting itself to potentially larger accumulations on the other.

Our market today opened fairly steady but there was not the urgency to buy and apparently yesterday's advance had to some extent weakened the technical position of the market. Foreign crop news is of about the usual tenor for end of November. The moisture situation is quite favorable and the cold weather now prevailing should prevent excessive early growth. For the most part seeding operations have halted on the European Continent. It is unusually cold in Germany but some parts of the country have been visited by heavy snow. Reports are current that West Germany still has 22 million bu wheat to purchase, 4 million bu rye, and about 800,000 tons various kinds of coarse grains, etc. However, some of this business is undoubtedly going to Canada, and we note that overnight there were 2 cargoes Canadian barley sold via Montreal, so that the business finally apportioned to the U.S. may not be too large.

Primary receipts of wheat today were only 440,000 bu compared with 531,000 bu last week and 928,000 bu last year. In today's figures Wichita was missing. Kansas City and Minneapolis stocks so far this week show a total decrease of 340,000 bu.

Markets were reactionary, and there was no particular reason for the declines, exceot that in corn a fair percentage of today's receipts comprised CCC holdings. However, the country is not selling to any extent, and there was no pressure, it was merely a market in which longs took profits. In beans, the nearby delivery was a little firmer relative to other futures. It was thought that possibly a processor was changing over hedges from January to a more distant position. Flour business was on the quiet side, but there was no great urge for entering into new commitments.

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CHICAGO, 4 November 28, 1952

To show the extent of our national expenditures, we call attention to the fact that the increase alone in last year's federal budget could not have been met if all individual incomes in excess of $25,000 had been appropriated by the Treasury for public use. We have reached a point at which the impact of taxes upon the individual and its effect on his manner of living is greater than ever before, Thus people in all walks of life have felt the increased burdens that have been imposed. For example, in 1930, on a net income of $5,000 the tax would have amounted to $39.37; today it amounts to $1,052. On an income of $20,000, in 1930, the tax was $648.75; today it amounts to $7,762. These figures are the more appalling because cost of living has also risen. The hope of gain is the most powerful expansive force on earth. It is this force that can conquer a wilderness and create the greatest industrial society ever known. On the other hand if this natural hope of gain is turned by law in another direction, it can and will create the greatest and most powerful concentration of government ever devised by man. We have seen that this has already happened in some of the European countries.

When our market opened this morning, it was influenced by the possibility of rather heavy tenders on December contracts. Yesterday about 3 1/4 million bu oats had cleared from Ft. William and Port Arthur, with Chicago as the destination and another 1 1/2 million bu was apparently headed for Buffalo, also 700,000 bu rye was coming this way. Some or possibly all of this grain may finally be tendered on nearby contracts. The weekly clearances as reported by Broomhall amounted to only 2 1/2 million bu wheat and flour, while at the same time Canada shipped 10 1/2 million bu. Thus it can easily be seen what competition we are facing as compared with last season. Our total shipments since July 1st are 111 1/4 million bu compared with 169 1/2 million bu last year. There were fairly large clearances of soybeans from U. S. ports, with over a million bu placed afloat the past week, making a total of 3 million bu since the 1st of October. This was slightly less than last season. Corn exports last week were 3 1/4 million bu, and the total since 1st of October was 13 million bu compared with 10 million bu last year.

Weather had been rather cold over most of the grain areas. However, a good snow-covering protected the ground and the plant, and we have not heard any complaints. Actually July wheat was slightly lower during the early period when the near deliveries were strong, and thus weather is not a factor any longer. The five-day forecast suggests that there may be some rain or snow covering many of the territories previously benefited, but we believe other factors are now given closer attention and some of the recent buying of wheat was undoubtedly on the prospect of very heavy impoundings, although this is something that will only gradually be felt, and should not be regarded as an immediate influence.

Primary receipts of wheat today were 884,000 bu compared with 984,000 bu last week, and 1,586,000 bu last year. Kansas City and Minneapolis stocks of wheat so far this week showed a total decrease of 511,000 bu. When the visible supply is posted on Monday it will compare with a decrease last year of slightly over 3 million bu.

Markets were for a time indifferent. Wheat early was lower than the previous close, but finally rallied, and the same was true of beans; in fact, the nearby deliver went to a premium over March and May futures. We heard that the CCC was inquiring for three cargoes of beans from the Gulf, probably for shipment to Formosa. Corn was barely steady, and oats were in about the same category. There was over 1 million bu corn tendered on December contracts up to noon, 850,000 bu of oats, although probably a good deal more will appear after the close, 373,000 bu of rye, and over 1 1/2 million bu of wheat. Some of the red wheat at the seaboard is gradually getting cleaned up, and while there is still plenty of red wheat east of Chicago that could be exported, there has been some comment that with the recent business the premium basis was somewhat better. Italy is also likely to come into the market next week for a little red wheat, but we understand that the bulk of the inquiries are for hard varieties.

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CHICAGO, 4 Dec, 1, 1952.

After the close of the market on Friday parity prices were published for the month of November, and there was a decline of 1¢ per bu for wheat, bringing the price to $2.44 compared with $2.43 a year ago. Corn was likewise down a cent but is now unchanged from last year. Soybeans are 3¢ lower than last year and 1¢ lower than last month, the price being $2.81. The third consecutive monthly decline in prices of commodities bought by farmers has lowered the index to 281% of its 1910-14 average in mid-November. Price reductions for food, feed, and feeder livestock again led the downturn. The general level of prices paid by farmers on November 15th was 2% lower than a year ago. Whether we may conclude from this that the inflationary tendencies have ended, is difficult tosay, but in any event there seems to be a pause. We cannot overlook the fact that since the parity formula was first started in 1938, there have been steady increases with very few exceptions, and thus the loan on wheat, and for that matter on other commodities, has reacted in such a way as to incite the inflationary spiral because the advance in agricultural products has in turn meant higher labor costs, and higher labor costs caused higher prices for manufactured goods. This again was reflected inthe following parity level, so that there has really been very little letup during the last fourteen years.

Very few people recall that the 1938 wheat loan was only 77¢ per bu in Chicago, and gradually advanced to the $2.50 level; consequently, food costs have become so high that consumer-resistance was only overcome by the fact that we had a long period of prosperity and thus farm prices havenot been challenged, although a good many people wonder why the farmer should be guaranteed steadily increased prices when other categories are denied similar support, and so it is claimed that favoritism is being shown. Food prices have declined now for the past four month and are below those of a year earlier for the first time since May 1950. Lower meat and fruit prices were primarily responsible for the recent declines. This is probably due to the recent heavy runs of cattle to market, which has boosted storage holdings of beef to near-record November levels, while plentiful pre-holiday supplies of turkey also resulted in a substantial downturn in retail red meat prices during the past month.

When our market opened this morning there was little to guide it except that a considerable amount of precipitation had occurred again over the winter wheat area: not so much in the Texas Panhandle, and only small amounts in western parts of Kansas but in other districts the outlook has again improved and the drought is hardly referred to any longer in market letters. There was also some moisture in southern parts of Indiana and Illinois, which was not really needed, but at least it adds to the reserves which previously had been deficient.

We are interested in what the Santa Fe Railway has to say about the Southwest even though there has been some moisture since their report was prepared. They say that, "No definite statement can be made aside from the fact that it has actually rained again, still a feeling of optimism is rapidly dispelling the gloom that has prevailed for several months." They remind us that nearly all the new wheat crop was planted under adverse conditions, and that there is the question arising from little or no growth, meaning that without such natural covering wheat is highly susceptible to damage by winter kill and high winds. "Wheat will still need a favorable break in the weather and great gobs of additional moisture later on to catch up with the damage already done."

The Searle Grain Company, Ltd., of Winnipeg, talks somewhat along the same lines about the Canadian crop, which, of course, differs from our Southwest, in that it is planted in the spring. There was only 80% of normal moisture this fall, so the crop will require better than normal precipitation from April 1st to July 31st. They comment: "It may of course happen; all one can say is that the odds are against it." In their studies they have found that the August, September, and October rain, coming before the freeze-up, is as beneficial as rains received after April 1st, but winter snows are of no value to crops as the moisture runs off the frozen ground and does not penetrate the soil. To secure an average yield of, say 17 bu wheat per acre. Western Canadian Provinces need a total of 12 inches rain, but normally only about 8 inches of this falls during the growing season, so that a normal yield absolutely depends on the reserve moisture received in the fall. It may be, however, that the deficiency will be made up after April 1st, and if rains are well distributed they could have satisfactory crop results.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO, 4

December 2, 1952

There was quite a little moisture overnight, and it was mostly in the form of snow over the corn belt but extended also into Missouri. There was not a great deal in the Southwest, although the latter territories were pretty well served a week or so ago when the drought was broken, and there is no need for additional relief at the moment, although it is always helpful. The forecast suggests that there may be rain or snow in parts of the Southwest, but our own weather man is not particularly hopeful that the amounts will be large.

However, trade is paying attention now to other factors, and this is the calendar season of the year when normally we have some advances, as the movement from farms is light and pressure on the market is correspondingly small. There is an old adage that he who is short over the Christmas Holiday does not enjoy himself. There is some basis for this belief, and during the present period particularly so because many farmers who have not sold the grain up to now may well figure on waiting until the next income tax period before liquidating their holdings further. According to one Eastern authority: "Only once in 14 years of loan programs has average farm price of wheat failed to reach or exceed loan level by December of the crop year. That was 1938, when price didn't go to loan until May, 1939." Now that the loans are pretty well understood, there is every reason to expect that impoundings will be very heavy. It is unfortunate that we do not have the wheat figures given more regularly but it would be our guess that unless there is a sharp advance in the present level, there will be well over 400 million bu placed under the loan, which, together with 140 million bu which the government held from previous years, is a very large quantity taken out of commercial supplies. We must also figure that the same is more or less true of corn, and the price of that commodity is well below last year's level by about 20 to 22¢ a bu, so that the incentive for holding back is very great. We have contacted a number of our offices downstate, and have been told that there has been a decided increase in the number of farmers taking the loan on corn and to some extent even purchase agreements. It is believed that farmers intend to increase the amount early next year in the new tax period. Of course, there will also be some selling but unless the accumulations at terminals take place early and in the weeks following harvest, we find that generally speaking it is difficult to build up stocks.

It is still expected that large quantities of wheat will be sold for export during the next week or so, with Italy probably the largest taker but some also going to Portugal, and if this occurs hedges will undoubtedly be lifted unless sales are made by CCC. In the meantime, however, the market has had a fairly good rise, and there seems to be less activity in speculative circles, although milling demand has shown some improvement. The latter is only important at a time when large business is done all at once because our domestic consumption is rather constant, and does not vary a great deal whether prices are high or low. It is generally assumed that about 500 million bu is used for food, including flour, cereals, etc., and the amount that will go for feed will probably be limited to some extent because of the relative cheapness of coarse grains.

Primary receipts of wheat today totaled 1,221,000 bu compared with 1,365,000 bu last week, and 1,776,000 bu last year. So far this week Minneapolis and Kansas City wheat stocks show a net decrease of 43,000 bu. Contract stocks of #2 red winter wheat in deliverable positions amount to approximately 10 1/2 million bu, or a slight increase from a week ago.

There was not a great deal of feature to the market today. The five-day forecast indicates further precipitation in Kansas, Oklahoma, and Nebraska, although lighter in the western areas, while in west Texas little or no precipitation is anticipated. According to The Southwestern Miller flour business has slowed down, and fresh inquiries are lagging, reflecting the unwillingness of bakers to pay higher prices, which advance 4¢ per CWT on Monday. Replacements on part of bakers will soon be needed, but a cautious policy is being pursued at the moment. According to advices from Winnipeg clearances Saturday and Monday included 1 million bu oats for South Chicago, and 350,000 bu for Buffalo, also 230,000 bu of rye for the latter port.

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CHICAGO, 4 Dec. 3, 1952.

Chicago receipts of all grains were very light today, and December is generally the month when the farmer is taking a vacation, at least to the extent of doing any appreciable amount of selling. If he has not liquidated enough wheat, corn, oats, etc., chances are that he will wait until January to take advantage of thenext calendar year. For that reason prices very often are firm during December and generally rise even though we often get close to the end of our heavy shipping business in wheat for export. In January Southern Hemisphere countries often come to the foreground and start pressing their wares. According to Broomhall, the harvest in Argentine is progressing favorably and yields in the North are mostly up to early expectations with the possibility that the total crop may reach 260 million bu. This would compare with only 75.6 million bu last season but at that time there was a widespread drought, which cut yields materially, and there is the usual danger of making just a one year's comparison. Nevertheless, the tendency in that country is for acreages to expand again. The government is offering more incentives, plus the fact that there seems to be more harvesting machinery, and we look for the possibility of more normal crops in that country as time goes on.

Reports that come to us from Europe are not too promising, as it seems European weather has been unfavorable over most of the Continent. Frost and partial snow in a number of countries have delayed field work, and acreages may fall below expectations, as planting was backward and the cold weather in some countries interfered with usual operations. The one possible exception is France where most of the expected wheat acreage was grown before the cold weather set in, and we now find that last summer's crop is officially estimated at 308.6 million bu, which compares with only 261.4 million the year before.

On the 19th of this month we shall have estimates and the condition of the 1953 winter wheat crop. There are all kinds of guesses as to what this may be because the moisture over much of the Southwest came late and some of the seed had not sprouted in sufficient time to cause germination and growth. More rains are likely for the Southwest tonight or tomorrow, and in fact, the weather map looks rather wet, all of which is favorable. However, it is hardly to be expected that we shall have another bumper crop, and because of this situation and the large carryover in sight, which may reach a figure of 550 million bu, it appears likely that May wheat will finally go to a carrying charge under July even though temporary tightness may develop first. We are fully mindful that heavy impoundings are taking place as long as the price of wheat remains at these levels, but on advances later in the season redemptions could also occur, and then, too, there is the knowledge that if the government falls heir to large quantities they may dispossess themselves of some of their holdings as they have in the past. Such a threat will very likely prevent too much tightness in May wheat beyond a certain point. The actual tightness of supplies is naturally delayed by the rather slow export demand and the fact that domestic consumption is continuing at a rather constant rate, so that supplies for food and cereals, probably amounting to 500 million bu, cannot be counted on in their entirety as going out of circulation until end of June. In years past whenever the carryover of wheat was 150 million bu or more, it was difficult for May wheat to remain at a premium over new-crop futures, but of course, in those days we did not have the artificial factors.

Primary receipts of wheat today were only 301,000 bu compared with 440,000 bu last week, and 1,394,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 147,000 bu.

Corn opened rather strong and maintained most of its gain, influenced through purchases by one of the large commission houses. Pressure from the country remains light. In wheat, an elevator concern was a rather persistent seller of the May delivery, and in the absence of much new buying this caused some reaction, with the result that prices were again lower than the day before. Beans were also subjected to some liquidation, probably for the reason that processors are pretty well filled up for the time being, and some feel that their purchases in recent weeks have been enough to carry them through March. In any case, it was quiet and dull, and we learned through The Southwestern Miller that mills were quite disappointed over the slow flour sales reported. It looked last week as though there were an expansion about to take place, but recent orders have been slow in forthcoming.

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CHICAGO, 4

December 4, 1952

The wheat market is in a sort of rut, with not much change in the statistical picture from day to day. There had been some improvement in the Australian crop outlook, and while yields will not be very large, it does appear as though recent weather should provide for a larger crop than had been earlier anticipated. In the Argentine, Broomhall figures that 260 million bu may be harvested, and this would be a good average yield, although even assuming that such calculations are correct, the bulk of the exports will still have to come from North America. Canada is still shipping about all that can be physically handled, and last week clearances from that country amounted to 10 1/2 million bu, while our own shipments were a little less than 4 million bu. We are falling continually behind a year ago owing to Canadian competition, and thus far our total shipments are nearly 70 million bu smaller than last season. This, of course, could be expected in view of the fact that smaller amounts are destined for India and likewise less will have to be furnished to South American countries, as gradually Argentine supplies will be available. Nevertheless, we might ship 325 million bu for the entire season, and on that basis it is figured that a carryover reserve of 550 million bu is likely on July 1, 1953.

Ordinarily, a reserve of this kind would have bearish implications, but on the assumption that impoundings are going to be heavy, we must not lose sight of artificial factors; furthermore, there is no assurance that the next crop will be anywhere near as large as the last one even granting that recent moisture has done some good. The drought is certainly broken, and rains and snow have covered the area immediately east and west of the 100th Meridian from Canada to the Mexican border, but yet we are not certain that the government report on December 19th will show much optimism owing to the fact that the early fall weather had been extremely critical and much of the wheat was sown in dust. It is not surprising under these conditions that there is not more speculation in wheat, although we understand that we are close now to a period when larger exports may be expected, and this may give the market some impetus.

Last week corn shipments from the U. S. were 2 3/4 million bu, and since the 1st of October we have exported 15 3/4 million bu, or about 4 million more than a year ago. Soybean exports suggested that a cargo might have cleared during the week and since October 1st total clearances were 3 1/4 million bu compared with 4 3/4 million last season. There is some wheat being shipped from Australia, and for the last fortnight more than 4 million bu cleared from that country, including flour, which brings the season's total to 73 1/4 million bu compared with 113 1/2 million bu a year ago. It leaves a surplus for export and carryover of 23 3/4 million bu compared with 34 1/2 million a year ago and 49 3/4 million bu two years ago. Harvesting operations are well advanced, but there have been no recent estimates of outturn except as mentioned above that private guesses are somewhat better than earlier. There was some export business in corn overnight, and MSA yesterday granted $2 1/4 million to Holland and $1 1/2 million to France for the purchase of U. S. corn. We figure that with the smaller feed grain crops in Europe there is bound to be a fair business throughout the season.

Primary receipts of wheat were 949,000 bu today, a week ago was Thanksgiving Day, and a year ago receipts were a little over 2 million bu. Flour business was rather dull, a little buying comes along from time to time, but there is no great urgency to stock up. The wheat market strengthened about mid-session on the likelihood that 6 to 7 million bu of export wheat might develop very shortly. Late in the session when the bean market became weak, it affected other grains, and there was general liquidation. There is no special reason for the weakness in beans, except indifference, and the fact that meal prices had beenlagging, with not the same interest that we had last season. At the moment no one is much alarmed over scarcities which may develop later on.

There was quite a little corn sold for January shipment by the country, but at the moment receipts are not heavy, and the primary movement is running about in line with last season.

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CHICAGO, 4 December 5, 1952

On the 17th of this month, the government will give us the final figures of the 1952 wheat crop and no surprises are expected as the wheat has all been threshed, and no great changes should be made from earlier estimates. However, two days later, or on the 19th of this month, we shall have the government's estimate for 1953, with both acreage and condition given, and there may be some variations as compared with traders' views, because in a general way it has been assumed by some that the "million-dollar" rains and snows have brought about complete relief to the drought-stricken areas. There is, however, a big question mark as to how the plant has struggled through this period, particularly in the states of Texas, Oklahoma, and Kansas. Some people are of the opinion that the outlook is quite dim unless considerable rain falls during the spring months. There can be little doubt that spring moisture conditions have a tremendous influence on the yield of wheat. There may be many in the trade who will recall that once or twice in the past ten or fifteen years wheat was "dusted in" during the fall months, or perhaps not even seeded until during the winter, and yet we were able to produce a fair crop at harvest time.

The only logical prediction a person can make during December with respect to the 1953 crop is that it will, in all probability, be smaller than normal. However, it may still be a pretty fair crop if moisture falls between now and harvest, and this we have confirmed by several authorities who have watched plant development and have studied questions of this kind over a period of twenty-five years. Several experimental workers we are told have planted wheat every month from September to April. While the results varied with winter temperatures and other weather conditions, it was found that in general the highest yields were obtained on wheat that was planted at the regular planting date. There seems to be a gradual decline from that time on until around the 1st of March in Nebraska or in other states of similar latitude. Surprisingly enough, wheat which was seeded from January 25th to February 18th produced some grain each year. The average yield for a five-year period was 11.8 bu per acre compared with 34.2 bu per acre when the seed was put in the ground during September.

We mention this all because there are those who are now prepared for a preliminary figure on the winter wheat crop of 550 to 575 million bu. Should the higher figure be attained, plus a probable crop of spring wheat amounting to 250 million bu, and a carryover reserve of 550 million bu, it would give us a total supply next summer of 1,375 million bu. That, of course, would not be a calamity, and, indeed, would be a larger supply than we had at any time in our history up to 1941. We have had a larger supply on ten occasions since that period, the largest occurring in 1942, when there was a crop and carryover of 1,600 million bu. The average since that time has been 1,422 million bu; so even assuming a rather grim outlook at the present time, we shall have virtually as much wheat available for domestic consumption and carryover next year as we had during the past ten years of bumper crops, when in all but two seasons the yield was over the billion-bushel mark. The large reserve which is now in sight will still make it possible, and, indeed, almost necessary, to continue the heavy export program.

Primary receipts of wheat today were 790,000 bu compared with 884,000 bu last week and 1,451,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 274,000 bu. When the wheat visible is posted on Monday it will compare with a decrease last year of nearly 5 1/2 million bu.

Despite rather good exports of corn, including sales to the U. K. to Norway and possibly other destinations, the market was rather weak, and the country continued to sell corn for January shipment. Wheat was also somewhat lower despite expected business shortly with Germany, Italy, Brazil, and possibly Egypt, the total possibly amounting to quite a quantity. There has been no change in the weather it was mostly dry overnight, and the five-day forecast does not look for much precipation. However, there is a large open interest, with many people committed to the long side, and not too much encouragement at the moment. Beans were fairly weak in sympathy with the break in meal prices. For the present at least processors seem to be pretty well taken care of with respect to supplies.

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CHICAGO, 4

December 8, 1952

It is figured that the federal deficit will be only about $5 1/2 billion this year against a much larger amount that had been anticipated. Either the defense spending was smaller than had been planned or else there were delays in purchasing due to the steel strike. At the moment we find that the steel output is at an all-time high, but yet supplies are tight; however, the situation is improving and may be in balance with demand by the second quarter of next year. The estimated capacity of the industry represents an increase of more than 40% over that of 1939, which shows what tremendous strides we have made. It will be three times that of Russia. Defense requirements account for 10 to 12% of our steel output, but with the growing improvement, it is anticipated that steel curbs will be lifted before the middle of next year. Unless there should be a worsening in the global conflict, we understand that General Eisenhower's objective is to reduce the federal budget to something like $60 billion within four years through the elimination of waste, inefficiency, duplication, and corruption.

When our market opened this morning there was not too much to guide it. Weather was rather mild over all parts of the country. This may permit a period of growing weather, where rain or snow has occurred, but probably of more interest was the large business expected in export circles to Italy, Germany, Austria, Brazil, and Egypt. We have not heard of any actual business being put through yet, but one of the larger commission houses was a heavy buyer of December wheat, and at the opening offerings were small. Apparently the liquidation of last week had strengthened the technical position of the market with the result that there was considerable strength in December wheat, also in December oats, and this likewise influenced trade in beans, corn, and other commodities. There was some talk that there might be a scarcity of boats coming to this country for winter storage, although we doubt whether this was much of a factor in creating strength here today.

Chile bought a cargo of red winter wheat for early December shipment, which was not reported until sometime after the market had opened, but there may have been some covering of hedges against this sale. According to Broomhall, the Peron government is seeking a further upward revision in acreage goals for all major agricultural products. Eventually it is hoped that 19 3/4 million acres will be sown to wheat, which is quite an expansion over that of last year. Apparently the great indifference on part of farmers was due to comparatively poor prices, but since Argentina is an agricultural country, we should imagine that with proper incentives producers will want to utilize their soil, and this may mean an increase in feed grains as well.

We note that during the last four months 21% of total exports of all grains went to Central and South American countries, principally Brazil, Argentina, and Mexico. While Mexico is ordinarily a customer of ours, it may well be that higher production in Argentina will slow up shipments to South American countries that have been customers during the past twelve months or so. We do, however, have outlets that were not available to us in prior years: namely, the Far East, and 22% of our grain shipments went principally to Japan, Korea, and India; only 42% of our total shipments were destined to European countries, chiefly Germany, The Netherlands, U. K., Belgium, and Luxemburg.

When the visible supply of wheat was posted, there was a decrease of nearly 3 million bu. Regular stocks in Chicago decreased 684,000 bu, but the afloat increased to 527,000 bu, indicating a shift in position. The local oat supply decreased 366,000 bu, but this is only part of the story, as there is 4.6 million bu in bond, which is in boats. The corn visible for the U. S. increased 3 1/2 million bu, while the oat visible decreased 210,000 bu.

Markets were all very strong, there undoubtedly was wheat buying today by export houses against business which is expected later in the week. We find that impoundings are only given as late as October 15th, at which time 312 million bu was placed under the loan. This compared with 266 million bu by mid-October 1942, when a record of 408 million bu finally was placed under the loan. December oats were strong, and apparently many of the tenders have gone into hands which have not seen fit to sell out, although we do not find any shipments being made from this city. Corn and beans were likewise strong; in fact, the whole market gained impetus on the constructive side, and final prices were considerably higher. A cargo of gulf corn was sold to the U. K.

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CHICAGO, 4 Dec. 9, 1952.

Without the products of industry social programs of any kind become merely empty promises. For some years many farsighted people feared that on the economic side the gravest threat was that productive enterprise might become so burdened and impeded by high taxes, prohibitions, controls, etc., that industry might stagnate. Here of late there seems to be a friendlier attitude toward business. This does not mean that it will be entitled to special privileges but rather that it will be considered as part of the great American team. To maintain our solvency and integrity as a nation, we have no alternative but to return to the fundamental principles that have been responsible for our greatness. This means that thrift, hard work, pay-as-you-go incentives for business enterprise, and rising productivity are among the foundation stones of what is called the American system.

Before our market opened this morning, there was not much to guide it. Mild temperatures prevailed in almost all parts of the country; no precipitation had occurred, and the map looks mostly dry as far ahead as one can perceive. Even the five-day forecast does not suggest any important change, with the result that we may have further fears expressed soon that in many parts of the Southwest, where the subsoil reserves of moisture had been depleted, recent rains and snows may have been insufficient. There is no alarm yet in that respect, and many of the local traders who had covered their commitments yesterday seemed to have either stepped to the sidelines or in some cases became sellers in the early trade today. There continues to be some hedge lifting in anticipation of the large export business that is in the offing. The only business reported early was a parcel of corn sold via the Atlantic to Norway, but for several days now a huge business in wheat had been expected to show up almost momentarily. Tenders of wheat and corn on Chicago contracts became heavier yesterday, and after December wheat had shown considerable strength there was a little reaction and some liquidation. Apparently there were those who had received delivery and who were not too eager to carry the grain even at a wide discount under later months.

There is some argument being advanced that May wheat will gradually gain on new-crop futures owing to the large quantities that will probably be impounded. We agree on the impoundings, and have so expressed ourselves that a record amount may be placed under the loan judging from the early estimates and the fact that wheat prices are now relatively low. We also appreciate that CCC holdings are substantial, and that thus there is a large quantity taken out of commercial channels. However, we cannot overlook the Chicago situation with respect to red wheat. It will be a long time yet even if export demand develops for soft varieties before Chicago stocks will be materially reduced. It has been this type of wheat which caused the wide carrying charge up to the present time, and it is likewise the important factor which has created relative cheapness in Chicago as compared to other markets. For example, Minneapolis and Kansas City have been gaining almost constantly on our market as winter and spring varieties have been in better demand than the red wheat, which has accumulated here and which thus far has found but little favor with either domestic or export sources. Furthermore, we must be prepared for redemptions later on should the price level advance.

Primary receipts of wheat today totaled 1,020,000 bu vs 1,221,000 bu last week, and 1,584,000 bu on comparable day of last year. So far this week Kansas City and Minneapolis wheat stocks show a net decrease of 194,000 bu. There is slightly over 10 million bu of #2 red winter wheat in Chicago stocks in deliverable position --a decrease of about 400,000 bu from a week ago.

While there seemed to be some evidence of buying on part of brokers with export connections probably in anticipationof business to be consummated, the tenders on December wheat continue to go around, and the current month led the weakness during most of the session. Flour business remains quiet, and accord to The Southwestern Miller, it was almost nil overnight. Flour prices have rebounded about 15¢ per CWT from the lows of about ten days ago, and bakers see to be unwilling to follow the advance and have a tendency to hold back until afte the end of the year. While country selling of corn was quite slow there seems a larger quantity of corn available at prices slightly over the market.

UHLMANN GRAIN CO.

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CHICAGO, 4 Dec. 10, 1952.

The farmers of this country may well be proud of their accomplishments during the past decade. The American people, despite the tremendous increase in population, are enjoying a higher per capita food consumption than before the war, and this in spite of a very large increase in exports and in military requirements. Two factors are probably responsible for these developments: first, farmers produced 44% more food in 1952 than they did before the war. They did this with fewer farm workers, but with larger expenditures for fertilizer, electrification, machinery, and other supplies. While it was true that cash costs of farming increased sharply, it was likewise a fact that farmers were induced to produce more because of higher prices. Second, we find that consumers could affort to buy more food regardless of higher prices because their incomes were substantially larger than before the war, and because the distribution of incomes favored to a greater extent those in the lower brackets.

When our market opened this morning prices were somewhat lower, and the carryover feeling from yesterday was a little bearish. It was known that we were on the verge of doing some export business in wheat, and shortly after the opening it was announced that 4 cargoes hard winters and 2 of spring had been sold. However, a good many of these hedges had been previously covered, and, therefore, there was not much activity in the pit, and in fact, exporters were able to make purchases at their own convenience. Generally fair weather has prevailed now for some time, and there is no likelihood yet that there will be rain or snow over the Southwest where in many places the subsoil reserves are low. On the other hand not too much attention is paid to this factor at the moment, and the trade is awaiting the government report on December 19th to see what the general outlook is based on the planted winter wheat acreage and current condition of the newly planted seed.

We had some figures from Washington showing that CCC inventories had dropped slightly. They still carry 139 million bu wheat, a slight reduction from the month before, and the corn inventory has been reduced to 284 million bu, which compares with 290 1/2 million bu at end of September. There is no new figure yet on the amount impounded under loans.

Broomhall reports that owing to the scarcity of dollars abroad a good many countries may increase acreages in order to help solve their problems. Australia plans to increase food production by 20% by 1957, while India expects to bring another 20 million acres under cultivation so as to reduce food imports. Pakistan, which is already almost self-supporting in food, intends to irrigate an additional 1 1/2 million acres, thus bringing 2.8 million acres under cultivation on the Indus River. Milder weather is reported in Europe so that field work may be resumed in some places; however, planting is still backward in a number of countries. Moisture supply is generally adequate. Actually too much moisture has been received this fall but of the two extremes this is always the preferable one. Never-the less, the heavy rains in France, which followed a period of frosty weather have again delayed field work, but yet most of the acreage had been planted prior to the unfavorable conditions.

Primary receipts of wheat today were 480,000 bu compared with 301,000 bu last week, and 863,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 461,000 bu.

Markets had a rather weak undertone, although corn held better than some of the other grains, probably for the reason that three cargoes were sold abroad, and pressure from the country is not particularly heavy. December oats were fractionally lower and we understand that supplies are being ordered out of elevators in Minneapolis, and probably will come to this market, or they may go to more southern destinations, but in any case, it may take away some of the demand from here. Mills are getting only a limited inquiry for flour, and after export hedges had been covered we had quite a weak market, although the price got to a level where there was some support, but yet final quotations were lower than at the previous close.

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CHICAGO, 4 December 11, 1952.

The diet of the American people has undergone some change during the past ten or twenty years. Living in a prosperous era as we are, the average person can afford to eat better, and as a result the per capita consumption of wheat has declined. Even with the growing population, total disappearance for bread, cereals, etc. amounts to only about 500 million bu per year. Every citizen is eating a slightly larger number of pounds of food but the same number of calories as prewar. In terms of nutrients the average person is getting less carbohydrates than before the war, about the same amount of Vitamin A, a little more ascorbic acid, and significantly more riboflavin, thiamine, niacin, iron, protein, and calcium. The average American is eating fewer potatoes and grain products, but more livestock products, citrus fruits and tomatoes, leafy green and yellow vegetables.

Before our market opened this morning, there were reports of very large export sales of wheat, a total of about 22 cargoes having been sold, which included 160,000 tons #2 hard wheat for December and January, shipment via the gulf. Austria bought 4 cargoes and the U. K. two cargoes. Ordinarily a quantity such as this, involving about 8 million bu, would have had a salutary effect on the market but strangely enough, there were hardly any hedges covered here, although we heard that a few hedges were covered in Kansas City. Later on it developed that a fairly large percentage of the business had been made possible through the disposition of CCC stocks, although it was difficult to get much accurate information. The trade was disappointed in this development, and there was another factor also that added to the pessimism: namely, a statement from the Agricultural Department that only 22 million bu wheat had gone under the support program during the period, October 15th to November 15th. This compared with about 50 million bu the preceding month, and this year's monthly average of about 75 million bu. We believe it may be attributed to the fact that prices were 5 to 6¢ a bu higher at that time than they are at present. In any case, there is 334 million bu under the loan, with 2 1/2 months still to go under this year's program. This is based on the compilation made through November 15th. As we have mentioned before, the largest quantity ever impounded on any crop was 408 million bu in the 1942-43 period. It is said that the bulk of this year's impoundings were made during the harvest peak at which time prices were $1.98 a bu, or 22¢ below the national support level. On November 15th, wheat was selling only 9¢ below the support level of $2.20 a bu, but there has been some decline since that time, and we rather imagine that total impoundings will probably be heavy, although they may not reach the figure that had been estimated by some people in the trade at an earlier date. The Department also claimed that more than 51 million bu oats, barley, grain sorghums, corn, rye, and soybeans were placed under support through November 15th, which was about in line with last season.

Clearances of wheat last week were rather small, only 2 3/4 million bu, which makes the total for the season 123 3/4 million bu vs 189 million a year ago. Last week Canada exported 11 1/2 million bu; so it can be seen what a competitive situation we are facing. Total corn shipments so far this season were 22 million bu compared with 12 1/2 million bu last year, soybean exports 4 3/4 million bu vs 5 3/4 million a year ago. Despite the barley that we are importing from Canada, our shipments have likewise been heavy, since July 1st exports having amounted to 23 million bu compared with 14 million bu last year.

Washington advices maintained that a considerable improvement has occurred in winter wheat prospects owing to the moisture which occurred about three weeks ago. It is still our opinion that much will depend on winter and spring conditions before an accurate appraisal may be made of next summer's production.

Statistics did not count for much in today's market. Milling demand is still very slack, but yet Chicago wheat was relatively weaker than either Minneapolis or Kansas City. Our July wheat was barely lower. December liquidation continued, and there is no general confidence being displayed. No moisture is indicated for the Southwest, and probably the most important factor is that we have ideal weather later on to prevent wind erosion. Therefore, spring moisture will be extremely important. Beans were quite weak due to local selling. There was some liquidation also in corn, but that market held comparatively well.

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CHICAGO, 4 Dec. 12, 1952.

There was considerable discouragement in grain circles owing to the fact that when the first large wheat export business in some time had developed, it was mostly taken care of from supplies that had been accumulated by CCC. In the early trade today, December and March wheat made season's lows, and it seems somewhat paradoxical that at a time when in virtually all parts of the country wheat is selling under the support level and wheat continues to go into the loan, the government should be liquidating its holdings, which only adds to the pessimism. In other words, they are supporting it on the one hand but selling it on the other, which certainly means that the longer these tactics continue, the more that will finally be impounded under the loan. Mr. Benson, who will be Secretary of Agriculture next January under the Eisenhower administration, is not wedded to a system of rigid farm support prices. The President-elect has stated: "I consider it essential for government to help the farmer achieve a stabilized prosperity in ways that do not impinge upon the farmers' freedom of action and do not stifle initiative." Mr. Benson said he approved this philosophy, and we understand that both parties are for the 90% of parity as provided by the present law. However, on further policy, Mr. Benson is not yet ready to state whether basic commodities should be supported at the present 90% of parity or at 75%, indicating that there is need for some supports, but probably some study will be made as to what should be done after the present law expires. The General had committed himself during the campaign to stick by existing law, which for two years yet requires the support of basic crops, comprising corn, cotton, wheat, rice, peanuts, and tobacco at 90% of parity.

When our market opened this morning there had been a little moisture reported in northern sections of Illinois and Indiana, mostly in the form of snow. There had been some snow also, with about 2 inches falling at Goodland, Kansas, which is the western part of the state, extending to the slope of the Rockies. The outlook is not optimistic, nor does the five-day forecast suggest that there will be any appreciable amount of precipitation, either rain or snow, during the period. The snow map which is issued by the Weather Department indicates that there is no snow on the ground in the eastern, central, southwestern, or northwestern part of the country except western Wisconsin, northern Iowa, and eastern Minnesota. The eastern two-thirds of Washington and Oregon had considerable snow, and also, good amounts in the Rocky Mountains. Thus, it can be seen that there is no real protection over the large winter wheat areas of the Southwest should cold weather develop.

There was some further export business in the offing, with Egypt likely to take 13 cargoes for nearby acceptance, including Pacific white, Atlantic red, or Canadian. Brazil will also buy about 12 cargoes but the trade was not impressed with these pronouncements, probably for the reason that the last business came largely from government stocks, and therefore, did not require the removal of commercial hedges from the market. The U. K. bought a cargo of #2 hard winter wheat for last half January shipment, via the gulf, but this, too, had very little influence.

The Chicago corn-hog ratio for the week was 9.7 compared with 10.3 last week, and 9.4 last year.

Primary receipts of wheat were 897,000 bu compared with 790,000 bu last week, and 1,411,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 807,000 bu. We look for a shrinkage in the visible supply on Monday, whereas a year ago there was an increase of 1.9 million bu.

As we mentioned earlier, December and March wheat made new lows on the crop. Wheat led the way as liquidation continued, and this had quite an influence on other grains, but late in the session there seemed to be some short covering prior to the weekend holiday. Beans had a good recovery and corn also improved. Oats came back partially. Wheat, however, struggled and despite some short covering it was relatively weak, and more so for outside markets. There has been a narrowing in the spread between May and July wheat, and we feel that finally there is apt to be a carrying charge unless there should be some great improvement for red wheat which has been stored in this market. Of today's local corn receipts about one-third were for the account of CCC, indicating their desire to liquidate.

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CHICAGO, 4 December 15, 1952

General Eisenhower arrived in New York yesterday, back from his Korean trip, and in his words said: "I return with renewed confidence that a satisfactory solution in Korea can be speeded. I know that it will demand common sense and care, much foresight, and much patience. But no more in Korea than anywhere else inthe world is honorable peace beyond the power of free men to achieve when they pursue it intelligently and energetically."

The trade did not construe this to mean that there will be a sudden peace but for that matter it had not been expected. Our markets turned their attention to other matters and first quotations were slightly lower, possibly due to the discouragement of government selling, and of the 500 or so cars corn we had in Chicago this morning, 190 were CCC, indicating that they are selling (although quality may be the reason) in domestic trade at prices below the support level, the same as they did last week in wheat in offering about 2 1/2 to 3 million bu hard winters to exporters and possibly a cargo of spring wheat also for shipment abroad. That they should be taking in grain on the one hand under a program of support, and selling at the same time, is somewhat discouraging, although we still believe that the longer prices remain low, the heavier impoundings will be, and later on this can only mean that accumulations will increase. It is now figured that exports of wheat and flour for the first six months, or since July 1st to end of December, will be barely 150 million bu. On casual observation some would construe this as suggesting 300 million bu for the entire season. In normal times we have found that 70% of the export business was done during the first half of the crop-year, but in recent years there have been occasions when shipments during the latter half of the season were relatively greater. This may have been due to transportation difficulties in Canada or to diminished offerings from the Argentine and Australia, where acreages have been cut and where as a result recent supluses have been small. We have had other periods when European countries tried to live pretty much on native supplies after harvest, but later on found they had to accelerate their buying programs in order that the demand imposed by dwindling stocks at home could be met. Thus there is no way of telling what the next six months will bring forth except that Canada is shipping 10 to 11 million bu each week and has built up stocks in winter storage positions, so that reasonable shipments may be expected during the winter months when Ft. William and Port Arthur are closed due to low temperatures.

We also find that good progress is being made in the Argentine and yields thus far have been very satisfactory, although some advices indicate that the average may be lowered to some extent, as cutting of wheat continues into the southern half of the country. However, exports will be resumed shortly but large quantities will be applied against debts owed by the Argentine government, including 750,000 tons to Brazil, 300,000 tons to Italy, and a goodly quantity to Japan. There is also some wheat destined for India under a barter arrangement. All told about 1.7 million tons, or roughly, 60 to 65 million bu is involved, which would be approximately half the surplus currently anticipated from the coming crop.

Here at home top officials indicate that export authorizations for January-February may involve larger percentages of soft red wheat for clearance. However, stocks east of Chicago are still large and this would not necessarily require the withdrawal of supplies that are already here.

The visible supply of wheat decreased about 4 1/2 million bu compared with an increase of almost 2 million bu for the corresponding week last year. However, the stock is still 65 million more than a year ago. Chicago wheat stocks decreased a net of 300,000 bu. The removal of 1,048,000 bu wheat from warehouses was largely offset by the afloat stocks increasing 748,000 bu. There is still a total of 15,781,000 bu in Chicago. The corn visible supply showed a small increase of 200,000 bu, and stocks are now 14 1/2 million bu larger than last year in all visible supply points. Chicago stocks were almost a standoff, and we have 7,792,000 bu here. Because of large shipments of oats from Chicago during the week, stocks decreased 774,000 bu, and in-store and afloat total stock is 11,280,000 bu.

The export business reported today was a cargo and some parcels of gulf hard winter wheat to the U. K. Instead of Egypt buying 13 cargoes over the weekend as had been expected, they probably bought 4, of which 1 cargo was eastern Canadian winter wheat. There are still other inquiries in the market. Yugoslavia has been allocated $5 million by MSA for bread grains, and it is said they are interested in 60,000 tons red winter wheat.

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CHICAGO MERCANTILE EX.

CHICAGO, 4

December 16, 1952

There was no special news overnight. Allocations to MSA yesterday and the business with Yugoslavia apparently rallied our market, but the trade is not particularly impressed with our export program because it now looks as though we might ship only 300 million bu during the entire season, which would compare with 470 million bu last year and 424 million bu two years ago. We have had the experience now of shipping vast quantities of wheat from this country ever since 1945, and with the large crops that are being raised in this country, it is always a necessity to reduce our surpluses in this matter in order to prevent unmanageable and unworkable accumulations at home. Italy is expected to re-enter the market shortly for about 10 cargoes wheat, which will be mainly hard winters. In the meantime, it was thought this morning that Egypt had taken a cargo of red winter wheat, and we saw evidence of hedges being covered in the pit, with large quantities of wheat taken here shortly after our market opened, although it had very little effect on the price level.

With practically no moisture looked for either overnight or in the 5-day forecast, there was some firmness displayed at the start but some local selling took the edge off the market, and prices receded, with trade rather light and no particular inspiration for taking the constructive side of the market at the moment. Generally this is the season of the year when receipts from the country are light, and as a result we more often have advances than declines. However, the milling trade remains especially dull, and it will undoubtedly take new incentives for the market to get out of its present rut. This may come on Friday after the government gives an estimate and condition of the next winter wheat crop. There are some who believe that recent rains and snows have brought sufficient improvement, so that a fairly optimistic forecast will be made. We do not share this view based on reports we have had, although we do feel that Kansas and Nebraska have been materially helped by the partial break of the drought and the recent precipitation which has occurred. There can be little question that prospects are much better than they would have been had we not had this relief, but it is still a fact that no definite statement can be made this early save for the feeling that some of the gloom which for several months prevailed has now been lifted.

CCC arrivals of corn in Chicago are only 24 cars, or about one-fourth the total, but yet corn was under pressure, even though the country offerings were light, but at the moment export buying is rather slim. New York reported that a cargo had been sold for last half January via the gulf, and Holland also took a few parcels, but this apparently was not enough to sustain prices. Trade feels that after the turn of the year the country may be a little more eager to sell, and because of that situation there is some indifference at the moment, and speculative buying seems to be at low ebb.

Primary receipts of wheat were 869,000 bu compared with a little over 1 million bu last week and somewhat over 1 million bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 135,000 bu.

Trade was rather dull, markets were heavy, although wheat recovered; in fact, there were reactions also in other grains, but the continued weakness in the meal market is having a depressing influence on beans, and is causing considerable comment.

The Canadian Wheat Board reduced the differential from Fort William to winter ports by about 9¢ per bu. This may stimulate some Canadian business, but is not particularly bearish on our market as most of our business is done under subsidy, and Canada is handling about all she physically can at the present time.

Chicago stocks of wheat in deliverable positions are nearly 10 million bu, of which about 9 1/2 million is red wheat. Some red wheat is being sold for export, but we doubt whether the quantities are heavy enough to tighten up carrying charge spreads. The spot corn basis was about unchanged. The country is not in a selling mood right now, but offerings are expected to be somewhat heavier during January.

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CHICAGO, 4 December 17, 1952

It seems somewhat difficult to understand why our government each month allocates quantities of wheat to various countries for export, in view of the fact that we are not selling as much as our goal. The quantity will be way under that of the past two years, while at the same time Canada is offering and shipping large quantities and is apparently clearing about as much as is physically possible to move from country points to vessels. Late yesterday New York reported that 4 million bu hard winter wheat had been sold to Brazil for shipment via the gulf, January through March, and while a few hedges were covered in the pit today, it is unknown at this time whether any of this business came from CCC stocks.

There is no feeling of confidence in the market, and December wheat made a season's low early in the session, which was certainly discouraging to holders, plus the fact that carrying charges in wheat are almost as wide now as they have been at any time, and probably wider if cognizance is taken of the shorter carrying period between now and May than at the beginning of the month.

The barometer Southwest seems to be dropping, and indications are favorable for some moisture either in the form of rain or snow by late tonight or some time tomorrow, which is somewhat unexpected and quite contrary to the five-day forecast that was published yesterday. Whenever the experts try to go more than twenty-four hours ahead, they meet obstacles in an endeavor to size up the situation even though every effort is made to use the most modern methods for computation.

As a result July wheat was under some pressure, but the old-crop deliveries were also being liquidated, and new buying power was extremely limited. Kansas City futures have all gone to a premium over Chicago, including the July. Thus it is felt that the red wheat situation will continue to be a depressing influence here, while even with some moisture the prospect is not regarded as too satisfactory for even a good result in the southwestern parts of the country for next year's wheat crop. The Weather Bureau issued a thirty-day outlook, to which we do not pay very much attention, for the reasons given above. They do say, however, that precipitation is expected to exceed the normal over the southern third of the nation and along the Atlantic Seaboard. Subnormal amounts are indicated in the Pacific Northwest and in the Northern Plains but near normal elsewhere. A white Christmas is likely over most areas north of a line from the Texas Panhandle to Virginia.

Primary receipts of wheat were 698,000 bu compared with 480,000 bu last week, and 711,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 257,000 bu.

Our market today was subjected to selling that may have been to establish tax losses. Later in the day March wheat made a season's low, but the July future kept above the previous record by just a fraction. Under such conditions it was natural that there should be a good deal of discouragement but yet the market showed a little rallying power. We found that several cargoes of red wheat were sold to Yugoslavia for last half December and first half January shipment, although this did not change the carrying charge spread to any great extent, as it does not necessarily mean that wheat will be ordered outof Chicago as offerings in the East are still cheaper.

The corn market today was very weak, and one of our friends at the Stockyards told us that the cattle market was almost demoralized. It seems that there is considerable discouragement now in feeding, which brings up the possibility that there may be less feeding this season than last if animals are liquidated. The milling demand is still very poor, and a large percentage of the flour being sold is either on a hand-to-mouth basis, or else, price is set on date of shipment. Beans were weak, with meal lower. Despite an unconfirmed report that exporters have sold a cargo of soybeans to Japan, little optimism was displayed here. In fact, commodities generally are being deflated, and eastern commodities have shown a rather poor undertone, which, of course, does not help any at a time when confidence has been rather badly shaken. After the close the government will give final estimates of last summer's crops.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Dec. 18, 1952.

The market has been in a very weak position now for over a week. This was not confined solely to grains, however, as there have been declining tendencies in most commodities, and there does not seem to be the inflationary scare at the moment that we have had in other years. Even the sharp break, however, did not instill much confidence, and there are many factors probably that contribute to the general indifference. First of all, we have the final figures now on the various crops, with not many changes from earlier indications. Total wheat production was 1,291 million bu, a cut of about 8 million bu from the August report, but this compares with a ten-year average of 1,084 million bu and is much more than was raised last season when the yield was 981 million bu. The export demand at the moment has quieted down to some extent and even shipments for the week were not particularly heavy, with only 3 3/4 million bu clearing all ports, which brings the total for the season to 126 3/4 million bu compared with 198 3/4 million bu a year ago. Thus there is a reduction of 72 million bu thus far. As long as Canada keeps pressing her supplies and is shipping 6 to 8 million bu weekly, we see little chance of even reaching the reduced goal of 325 million bu that was set some time ago.

The rains that had been forecast for overnight failed to develop, but there is a likelihood of some precipitation, probably snow, for west Texas, including the Panhandle, gradually working eastward. It would not be surprising to map readers if other portions of the southwestern winter wheat belt were also favored.

Trade is going a little cautiously until they get the estimate of the 1953 winter wheat crop, which will be published Friday afternoon after the close of the market. There can be little doubt that large quantities of wheat are going to be impounded now that the price is down, and this may have some influence later on. However, a good many people reason that if next year's crops are smaller than those of this season, it will simply mean that the farmers will impound less of their grain but that the amounts for commercial channels will not in any way be affected. The final corn figure showed a yield of 3,306 million bu, a slight increase over last month and there were no important changes anywhere except that the Sorghum crop now is thought to be 13 million bu larger than previously, but still only about half as much as last year and considerably smaller than average. Probably adding to someof the bearish feeling is the fact that Commodity Credit inventories are being reduced and during the week 2 million bu wheat was liquidated, now leaving them with a stock of 131 million bu. They still own 13 million bu in the East, which is probably red wheat, and it may take a long time before those supplies are sold. Therefore, Chicago may not be drawn upon for any large commitments in the meantime. Total corn inventory of the government is 278 million bu, which is likewise about a million less than the previous week. We note that of the corn receipts in Chicago almost half are for Commodity Credit. The market was reasonably firm after a somewhat lower opening even though Egypt now has postponed its purchases of U.S. wheat until after the turn of the year.

Foreign crop news is not too optimistic as European weather has turned unfavorable, and undoubtedly the acreage in a number of countries will fall somewhat below earlier promise. Backward seeding has resulted from wintry conditions, and in Germany, Broomhall speaks of curtailment, although it may be offset by spring plantings. Weather has been bad in France and acreage will undoubtedly be smaller than last season unless weather improves soon. The Australian wheat crop is now officially estimated at 162.8 million bu, which is somewhat larger than last year. Pastures over much of the Commonwealth are better than they were. Argentine reports continue to stress big yields and particularly the progress for harvest. The barley and oat crops should also be much better than last season.

Primary receipts of wheat were just under the million bu mark, which was slightly more than last week and last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 343,000 bu.

There was no particular gimp to markets. Wheat averaged somewhat higher, but it is still figured that even with tremendous exports from Canada they will end their season with a large carryover supply. They and we had total production of 449 million bu more than for the previous year. Even European crops were 65 million bu larger than in 1951. July corn showed a little better undertone. There was some buying, but the actual demand remains rather poor at least in this part of the country. It remains to be seen whether the country will sell on a heavier scale after January

Beans were without much trend, but the meal market was stronger.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 December 19, 1952

Markets this morning acted as though they had been pretty well sold out, and very likely December liquidation had improved the technical position in all pits, with some traders not waiting until the last day to even-up expiring contracts. It was somewhat surprising that markets could rally in view of the improved weather reports that we had. Of course, yesterday and the day before the map gave some indication that rain or snow was developing, so that today's precipitation should not have been a great surprise. However, there have been disappointments before, but today when the actual snows and rains came they must have been discounted. Oklahome probably received more and better moisture than some of the other territories. Enid had over an inch of rain, Woodward nearly the same, but it was lighter in the Texas Panhandle with only one-tenth inch or so around Amarillo. However, this moisture seems to have been quite general, and chances are that more will occur today and tomorrow so that some will claim that there has been improvement since the government figures were compiled on the estimate for the 1953 crop that we shall have after the close tonight. A good deal of moisture was in the form of snow with several inches at Hutchinson and 5 inches at Wichita.

One of the first questions the new administration will have to solve is the possibility of extending the IWA contract with other exporters, and, of course, the many European nations who will be recipients of the shipments of wheat. Mr. Benson apparently has not yet made up his mind as to what course should be pursued, A good many people have told him of the benefits that might accrue to the handling of exports under renewal, while others have debated the question from a negative point of view. One thing is certain that if we are going to have high prices at home, and wish to continue to sell our surpluses abroad, we are going to have to subsidize exports in one way or another. If the IWA is not continued it may well be that we shall have a fixed subsidy and not one that will vary from day to day, and under the latter plan there might be some advantages, at least to the extent that the market will fluctuate more normally and probably the heaviest shipments will take place, while grain is moving during the summer months, and before much of it has reached interior points and then must later be attracted back to the seaboard.

In today's market there was firmness right from the start. The fact that the egg market continued its upward trend today and that hogs were 40 to 50¢ higher encouraged some buying and there seemed to be very little resistance as the recent liquidation must have been quite thorough. Recent buyers seem to be a little more confident that the amount of wheat and corn going into the loan will be substantial and that we may have artificial situations later on. There does not seem to be the same fear either that heavy country selling after January will be too pronounced, but on that question we shall have to wait to see what the attitude of producers is going to be. There was also a better tone to the markets in Winnipeg with a broader demand for oats and barley, and they advised us that the strength was due more to lack of offerings than to any particular buying.

A little export business was reported, the U.K. having taken a cargo of #2 hard wheat via the gulf, Ireland a parcel of corn from the Atlantic, and Norway a parcel of corn from the gulf. Holland also took 2,000 tons corn for February shipment. The wheat business continues to go mainly to Canada and Japan is said to have bought 5 cargoes overnight.

Primary receipts of wheat were 952,000 bu compared with 897,000 bu last week and a little over 1 million last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 529,000 bu. When the wheat visible is posted on Monday it will compare with a shrinkage of only 582,000 bu last season.

Markets were generally higher, but there was no spirited advance, except that beans were up over 3¢ a bu at one time, some profit-taking set in, and we believe there was probably evening-up before the week-end. Flour demand showed no pick-up and most sales were in small lots. The spot corn basis was up 1/2¢, and there seemed to be a better undertone in corn with some new buying as prices firmed.

It was the last day for trading in December contracts. There was no undue excitement, the December future of wheat, corn, and rye showing relative weakness as compared with the deferred. There was some covering ofDecember oats in the last minute of trading.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 Dec. 22, 1952.

After the close of the market on Friday, the long-awaited government report was issued, and the forecast was for a winter wheat yield next summer of 611 million bu. Due to the foggy condition in Chicago, we still do not have our air mail from Washington giving full details in addition to the figure, but we assume that the experts must have a difficult time arriving at a conclusion because there had been a good deal of adverse weather this fall. Much of the wheat in Oklahoma and Kansas was "dusted in" and about the only logical prediction that one could make this early is that the prospect for the 1953 crop in all probability will be smaller than normal. Early this month we stated that we were prepared for a preliminary figure that might not exceed 575 million bu. Since that time there has been some helpful moisture in the form of rain or snow over much of the winter wheat belt. We feel now, as we did then, that there might still be a pretty fair crop, depending on the spring moisture and this is bound to have an important influence on the final results. Once or twice in the past ten or fifteen years, there was a particularly bad start as at present, and yet we were able to produce quite a good-sized crop at harvest time, which indicates that wheat is not a hot-house plant, but rather has great recuperative power.

We called attention on December 5th when making our guess that we would probably have a carryover reserve of 550 million bu next July, which is also confirmed by official sources. We took the liberty of forecasting a probable spring wheat yield of 250 million bu, so that with all the knowledge at our disposal at this time we figure that there may be 1,400 million bu in various positions next summer which would still be better than anything in our history up to 1941. During the past ten years that figure was exceeded almost every season, and the average during the past ten years has been about 1,422 million bu. Allowing for some possible improvement we may approach or exceed that figure, and thus the outlook is not too grim, although the report was accepted in a somewhat bullish vein as it had been less optimistic than some in the trade had assumed it would be, and a winter wheat yield of 611 million bu looked very small in comparison with the production since 1941. We are faced with these facts, however: namely, that a large acreage has been planted, that there has been good weather since the time that data was compiled, and over the week-end there was considerable moisture, mostly in the form of snow in Kansas and Nebraska, not too much precipitation in Texas, but some fine rains over the Central States, and it may well be that from now on there will be improvement, but it will be many months yet before new official estimates are published. Even though wheat prices were considerably higher, corn was rather indifferent and of the Chicago receipts today of 526 cars, there were 166 for Commodity Credit, which shows that the federal agency is still liquidating corn of questionable quality. The U. K. bought 2,000 tons, but this did not have much influence on the market.

According to The Southwestern Miller there was no wheat sold under G. R. 212 during the past week, although IWA sales have been very large with more than 18 million bu sold between December 10th and 16th. The principal buyers were Brazil, that country having taken 4 1/2 million bu, Italy over 5 1/2 million, the U. K. 2 1/2 million, Austria 1 1/2 million, and India about 3/4 million bu. This brings total sales from the U. S. to 138 3/4 million bu, leaving 114 million bu unsold.

Primary receipts of wheat today totaled 1,846,000 bu compared with 2,235,000 bu last week, and no figures for a year ago due to a holiday. When the visible supply of wheat was posted it showed a decrease of 4,051,000 bu, leaving a total of 232,590,000 bu, or approximately 61 million bu more than a year ago. Chicago stocks of wheat decreased about 1/2 million bu, although wheat afloat increased slightly over 300,000 bu.

During the session the Pig Crop Report for the spring of 1953 indicated a further decline of about 13% of sows farrowing as compared to 1952. This led to the selling of corn, and other cereals followed the example. Also after a strong opening in meal and oil, prices gave way, which led to a decline in beans from earlier strength. The Southwestern Miller reports that a fair amount of flour business was consummated over the weekend, with mills pushing more actively for business. Export flour sales were nil.

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CHICAGO, 4 December 23, 1952

Anyone who has been reading our market letters for the past few months must appreciate that if we have expressed bullish views at any time, it was never based on statistical data but rather on artificial influences that might exert themselves later on in the season. World wheat production in 1952-53 is forecast at record levels and supplies available for export or carryover in the four major exporting countries have been running about 25% higher than a year ago. Fortunately, this was partly offset by import requirements that have remained at high levels. If the U. S. had furnished importers' needs in the same ratio as last year we would undoubtedly have had better markets. This was not the case, as Canada usurped a large percentage of the market, outside of IWA, having had a large carryover and a banner crop last summer. Hence, she saw the need of pushing her wheat into exporting channels, all of which was done at our expense. Had it not been for the limited transportation and handling facilities in Canada, the situation might have been even worse. There had been shortages of rice in eastern areas, and a consequent increase in requirements for wheat, but yet we doubt whether our own contribution for the season will amount to more than 325 million bu, and there may even be some difficulty in reaching that figure. We are mindful of the fact that our carryover reserve on July 1, 1953, may be 300 million bu larger than it was at the beginning of this crop-year. On the other hand, the winter wheat prospects are not too good, and last Friday's report indicated that production might be some 400 million bu smaller than it was last season. Of course, there have been good rains and snows since the government data was compiled, and our own guess would be that we have probably seen the low point, with every likelihood that there will be improvement in the prospect as time goes on.

Late reports from the Argentine are to the effect that a crop of at least 7 million metric tons (about 260 million bu) is now considered probable. That country will, therefore, have a substantial exportable surplus, while last season the reverse situation prevailed. The Australian crop is turning out better than had been anticipated and some sources now expect about the same wheat yield as last year of 160 million bu or more. Even that would be well below the average of recent years but should not prove a calamity as the latest available estimates indicate that supplies of wheat on November 1, 1952, in the four major exporting countries were large, with 1,420 million bu surplus that either could be shipped or carried over compared with 1,102 million bu a year earlier. If present prospects in Southern Hemisphere are realized, there should be a combined surplus for export and carryover of 215 million bu without any allowance for quantities carried over from the present season. For all practical purposes there is no carryover in the Argentine while the hold-over in Australia will undoubtedly be quite small. Canada alone had 646 million bu surplus on November 1st and this is a tremendous quantity when it is considered that her home consumption, including feed, seed, waste, etc., amounts to only about 160 million bu.

Our market this morning was influenced by the bearish carryover feeling from yesterday.

However, it was also realized that the price decline has been so sharp that artificial influences might become more potent factors if large quantities of corn and wheat now go into the loan. Thus there was a little buying although on the whole trade was not heavy.

Primary receipts of wheat were 968,000 bu compared with 869,000 bu last week and a holiday last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 304,000 bu.

There was some export business with Holland buying a cargo of two hard wheat via the gulf, and the U. K. bought a cargo of corn for last half January, also via the gulf.

Weather developments did not count for much although there was further rain reported over the corn belt and some rather heavy snow in Iowa. Milling demand showed some improvement but the pick-up was not substantial.

The meal market, which had been so weak yesterday, recovered reasonably well and this had a little more bullish influence on the soybean market. Bean oil had a strong close.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 December 24, 1952

This is the season of the year when people dedicate themselves to the finer things in life. It is likewise a time when we reflect upon the many blessings that have been bestowed upon us. While many people in the world are still undernourished, we find that our eating habits at home are well maintained and at almost peak levels.

Despite the drought in a large part of the country we had the second largest volume of crops in our history, which is certainly a wonderful record, particularly when it is considered that the acreage from which crops were harvested was smaller than average. A total of nearly 355 million acres was used for planting or growing the fifty-two principal crops in 1952. This was about 7 million acres less than the year before, and except for 1946 and 1950, the smallest total of the last ten years. While only two crops contributed record production: namely, rice and oranges, we had several that scored the second best record, such as corn, winter wheat, soybeans, sugar cane, hops, and grapes.

Weather was almost ideal everywhere for harvesting of both small grains and late maturing crops, so that harvest was rapidly completed, and with a minimum of loss. The quality of corn, soybeans, and other late growing crops was generally excellent. More fertilizers were used than previously, with some types inadequate to meet the demand. Transportation and storage facilities were in most cases sufficient to handle the crops after they were moved from farms. Weather was not propitious in the Southwest for the planting of winter wheat, and much of it in Texas, Oklahoma, and Kansas was "dusted in." However, some of the ill effects of this situation have been overcome by recent rains and snows, which have been pretty general over most parts of the country. Overnight snows were reported in the Panhandles of Texas and Oklahoma.

There was nothing much in the statistical news. Primary movement of wheat was very light, and only about one-third as heavy as a year ago. Stocks in Kansas City and Minneapolis so far this week decreased about 350,000 bu. There was said to be a little freer movement of cash wheat in the Southwest, particularly in Texas, which brought some hedges into the market. There was also a good deal of selling in rye on the possibility that exports from the Argentine would be heavier, but we believe that weakness in Winnipeg had more to do with the situation as there seemed to be a good deal of spreading between markets and their futures are selling at a substantial discount under us.

Flour demand was extremely light but that is usual in a pre-holiday period. The Department of Agriculture announced production goals for 1953 crops but there were no significant changes. They plan a yield of 3,350 million bu corn, which would be a little more than was actually raised this season, and quite a little more than the five-year average. While these goals have sometimes been closely adhered to, there is nothing very definite in the nature of the government's suggestions, and we doubt whether this had much influence on the price level.

Corn was the only grain which exhibited any firmness. There was some export business of wheat to Holland but until after the holidays we do not expect much foreign demand. There is considerable disappointment in the trade that markets show so little rallying power. Generally there is strength this time of year owing to the fact that farmers are not pressing their grain on the market. However, there is some deflation of commodities that is world-wide, and apparently cereals traded on the exchange here have been unable to escape the general trend.

WE WISH YOU ALL A VERY MERRY CHRISTMAS.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 December 26, 1952

There was not much in the weather news over the holiday, and in fact, grain news generally was of little importance. Politically, we had the Stalin peace overtures, which were not regarded in too serious a vein, particularly as previous statements from that source did not materialize. Still it must have brought out liquidation on part of tired longs, and additionally, there was tax selling before end of the calendar year, which gave us extreme weakness during the first half-hour of the session. Oats, which ordinarily are not as vulnerable as other cereals, declined about 2 1/2¢ a bu, and corn futures made new lows for theseason on disappointing news of CCC selling continuing. It was thought that about 40% of the Chicago receipts today comprised government liquidation. There seemed to be very little support except that one large exporting firm bought about the equivalent of several cargoes of wheat, but foreign business is generally light at this season of the year and we doubt whether much can be expected until after the turn of the year. The Winnipeg market was closed today as they were celebrating Boxing Day up there, so that possibly hedges which would have gone into that market came to Chicago. Volume of buying orders was very limited, and without sufficient support there was a weak situation all around, with March wheat selling at a season's low shortly after our market opened.

Clearances of U. S. wheat and flour were a little heavier with 5.3 million bu having been shipped during the past week, and the total since July 1st was 132 million bu compared with 205 million bu a year ago. Canada is the one country that seems to be doing more of the business than last year. Since the 1st of August they have cleared 161 1/2 million bu compared with 130 million bu the previous season. Australian shipments are lighter by about 14 million bu. Black Sea shipments have been slightly less than a year ago, and, of course, nothing coming from the Argentine where last season's crop was a failure. Exports in corn continue on a pretty good scale; last week we shipped 7.8 million bu, which is large, and the total for the season is 34 1/2 million bu, nearly twice as much as was shipped a year ago. Total clearances of soybeans so far this season amount to 10 million bu vs. 6 million last year. There is even some rye going out, despite the small crop. So far about 724,000 bu has been exported compared with 450,000 bu a year ago.

There was nothing new in the five-day forecast to suggest much precipitation anywhere. A little is looked for in Oklahoma, also some in Kansas, but the quantities will probably be small. Broomhall reported that some rains of a beneficial nature had fallen in Northwest India that would check deterioration, but the foreign crop news generally was mixed. However, there have not been any complaints except that seeding has been held up in a number of European countries, although in some instances it is expected that smaller acreage will be made up by spring plantings. Seeding was resumed in France on light soil, but the general outlook for winter grains is less favorable than it was a year ago. The Argentine harvest is making good progress and yields to-date have been high, although no official indications made of production of either wheat or other grains. It is expected that the cooperatives will market wheat and other cereals and under a five-year plan surplus stocks will be permitted to go into foreign consumptive markets.

Stastics were almost entirely ignored; primary movement of wheat was a little over 1 million bu, somewhat larger than last week, and compared with 611,000 bu last year. Kansas City and Minneapolis stocks so far this week show a total decrease of 566,000 bu. When the visible supply of wheat is posted on Monday it will compare with a shrinkage last season same date of 1.3 million bu.

Markets were all very weak, nothing seemed to escape the general liquidating trend, and new buying power was so feeble that rallies at best were only fractional. A good many stop-loss orders had been uncovered in all pits, and apparently it is going to take time before confidence is restored. It was finally confirmed that Japan had bought a cargo of soybeans, but apparently this business was done Wednesday via the Gulf, and 1,000 tons additionally this morning.

The A. P. stated that the incoming Eisenhower administration had challenged the Russian Premier to put forth concrete proposals on promoting peace, and promised that any overtures would be sympathetically received

It was generally claimed in the state reports that where precipitation had occurred prospects were improved, and in Kansas surface moisture now is quite good over most of the state.

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CHICAGO, 4 December 29, 1952

While the new administration is faced with a good many problems, notably Korea, it also seems to recognize that agriculture must have immediate consideration even though the Congress has already continued loans on basic commodities at 90% of parity for the next two years. One of the first matters for study will be the International Wheat Agreement, and we have seen lately that Congressional appropriations groups have frequently criticised the burden of a subsidy, averaging about 60¢ a bu, which means that the cost to the taxpayer is about $250,000 every time a cargo of wheat leaves these shores. Eleventh-hour efforts to save the Agreement have not proved successful up to this time. It seems that each country has its own ideas of what the price range should be, and thus far, there has been no meeting of minds even to the extent of getting exporters and importers to agree to a short-term price range. Mr. L. A. Wheeler, head of the U. S. delegation to the Wheat Council Conference, an ardent supporter of the Agreement, is somewhat pessimistic in his views, feeling that the world may revert to a status of cut-throat competition, not between private traders, but between governments.

We do not find the name of an exporter listed on the new fourteen-man Agricultural Advisory Committee just appointed by Mr. Eisenhower to review agricultural programs. There will, of course, be many other questions to decide, as for example, a sliding scale loan based on parity, as there are a good many people in this country who sincerely believe that excessively high loans which are unrealistic will finally build up unmanageable surpluses. Certainly there can be no dispute that if the government non-recourse loans on commodities are too high, ownership of those commodities will finally pass to the government by default. We as grain men have every reason to desire that producers receive the highest possible price for their products. We do say, however, that the market should not be tampered with for the purpose of obtaining artificially high prices, which has resulted in injury in the end to the producer himself. We do not believe that any permanent loan program on a 90% of parity price can do anything but achieve the inevitable result of the accumulation of unworkable surpluses, with resultant injury to the farmer and to our economic system as a whole.

There was no particular grain news outside of the Agricultural Committee that had been chosen over the week-end. Weather seemed to be moderate over the Southwest; no moisture had occurred, but there is some chance for rain or snow in eastern Oklahoma and eastern Kansas. First prices were a little higher and there had been some export business reported to Holland, 2 cargoes of hard wheat being sold via the gulf, which may have taken some hedges out of the pit. Egypt was also reported bidding for a cargo of red winter wheat and Yugoslavia is expected to buy some soft wheat shortly, which had a stimulating effect, but traders on the whole were cautious and confidence has not been restored yet. Winnipeg, which had been closed on Friday, opened rather weak this morning in sympathy with our declines of last week. However, differentials were about maintained and they did not report any signs of commercial demand, which is not unusual during the holiday season.

Chicago stocks of wheat decreased 339,000 bu. leaving 13.6 million bu in elevators, and 1.7 million bu afloat, or a total of approximately 14 million bu of wheat still here. This red wheat has been the discouraging feature in the trade, and our market today on tax selling made seasonal lows, but outside markets were relatively firmer, although they heeded the sharp declines here. Milling business is still poor, and even though prices have declined there is not much interest in new orders. Oats went into new low ground on heavy liquidating sales, and we presume that tax selling was also a factor here, as well as in other pits. Some recoveries occurred before the close, and we find that corn and beans held relatively well, but, of course, the latter two commodities could not overcome the general weakness. Rye was also subjected to selling, and trade at times was very thin.

The visible supply of wheat showed a decrease of 2 1/4 million bu, leaving 230 million bu in all positions, or 60 million more than last year. Corn decreased 2 1/2 million bu to 56 1/2 million vs. 45.3 million last season. Oats showed an increase of 630,000 bu.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 December 30, 1952

During the month of December we very often have firm markets, but this year the reverse situation prevailed. Despite the fact that the movement from the country was not heavy, there was a fair amount of CCC corn moved to the Chicago market. Some wheat was sold in Texas where the price was better in comparison with the loan than in other parts of the country. On the whole export demand was not particularly heavy, although in some cases government stocks were sold and this reduced the commercial demand at least partially.

One naturally wonders what will happen in January when almost automatically pressure from Southern Hemisphere increases, and particularly during the coming season with good crops being harvested in the Argentine, even though partially offset by a lack of carryover reserve. It is now considered likely that wheat yields in the Argentine will be larger than had been expected. Broomhall still maintains his estimate for a wheat crop of about 260 million bu, while others anticipate a crop of 9 million tons, which would be some 75 million bu greater. Should the final result be somewhere between these estimates a total yield for the various provinces of 300 million bu would, of course, be very big. We must also consider that the Argentine is not a member of the IWA group, and thus is not bound by any price restrictions. Such competition would, indeed, add to the burden of world supplies at a time when North America is doing its best to get itself into better statistical shape. We are mindful of the fact that some prior commitments have been made and that Brazil will probably take a fair quantity of wheat from Argentina, likewise Spain, India, and other countries will probably make some sort of barter arrangement, but this will be at the expense of Canada and the United States, and, therefore, poses a problem. The same also relates to rye, and some people are of the opinion that a crop of 20 million bu may be raised this season although it is not yet stated how much of this will be used for feeding to cattle. In any case last year's crop, which was very small, amounted to only 3.4 million bu, but two years ago they had heavy production and harvested 25 million bu. There have already been some offerings of Argentine rye for export in the period January to March. Then there is the Australian wheat crop which may approach last year's figure of 165 million bu, and while this is smaller than in some of the other recent years, it will, nevertheless, give them a surplus, and we presume that one has to take all of this into account. Canada, of course, is shipping smaller quantities now than she did during the period of open navigation. However, there have been boats brought down for winter storage, so that pressure from that source will continue, and we should not be surprised to see Canadian clearances exceed ours. These are all problems that must be faced by the new administration, and it will take keen minds to find the proper solution.

When our market opened this morning there was a little more firmness, with corn and beans showing a better undertone. The corn premiums in the country had advanced,which immediately influenced the futures market, and finally wheat also recovered a little after yesterday's sharp break when new season's lows were established. Recent liquidation has been heavy and there can be little doubt that a good deal of selling represented tax losses that traders wished to establish before end of 1952. There is one day yet and a short session tomorrow when such liquidation will probably end, but meanwhile trade is rather cautious and after confidence has been soshaken it naturally is going to take time for real recoveries. The Chicago market, which represents largely the weakness in red wheat, does not seem as attractive as either Minneapolis or Kansas City. The same is particularly true since the outlook for the 1953 crop is probably best in our section of the country, although there has been some improvement in the Southwest due to recent rains and snows.

Statistics were unimportant. There were hardly any changes in the Kansas City and Minneapolis stocks, while the primary movement was slightly less than last year.

During a good part of the session prices in all pits showed improvement but after mid-session liquidation became more active, and there was a considerable sell-off in the meal market, which naturally affected beans and some of the pessimism spread to other pits, with the result that wheat and oats also showed rather sharp reactions from earlier gains.

Corn held reasonably well; the spot basis was quite a little better at 6¢ under for country-run, whereas it had been as low as 7 1/2 to 8 below the future during most of yesterday's session. An eastern message stated that CCC had stopped selling wheat to exporters when they learned it was below loan levels.

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CHICAGO MERCANTILE EX.

CHICAGO, 4 December 31, 1952

Another year is drawing to a close, and from an agricultural point of view, 1952 will go down in history as having been astonishingly propitious, with volume of crops the second largest in history. This occurred despite drought over a large part of the country. True enough, our production was not uniformly good, and as a matter of fact we harvested the smallest spring wheat crop since 1940. This was 29% smaller than the year before and 16% less than average. However, it was more than made up by the large winter wheat crop, which was second largest in history. Farmers made effective use of mechanized farm equipment, which enabled them to wait out periods of adverse weather and thus they were able to overcome or minimize delays in field work. They completed harvest rapidly, making the most of favorable conditions as they occurred. More fertilizers than previously were used with supplies of some kinds below requirements. Record production of wheat was reported in Kansas, Nebraska, and Oklahoma, which accounted for over 71% of the increase from the year earlier. Likewise, abandonment was light and the indicated yield of winter wheat was 20.9 bu per acre, the highest on record, and compared with 17.7 bu average.

We had a banner year in corn due to a larger harvested acreage and higher yields, the latter amounting to 40.6 bu per harvested acre, which was the second highest of record and was exceeded only by the 42.5 bu in1948. The nation's 1952 corn crop, estimated at 3,307 million bu, was the second largest since records have been kept, exceeded only by the 3,605 million bu in 1948. Taking the eight grains as a unit, we produced 162.4 million tons, which was surpassed only by the 177 million tons in 1948. In no other year has tonnage been larger than 160 million tons. Thus we were extremely fortunate that, despite dry weather in the spring grain areas during June and July, which resulted in fast maturity and smaller yields, also extremely dry weather for a long period in the Southeast and in Texas, the final results were so favorable. A summer drought began in southern Missouri and Arkansas and spread first in southeasterly directions, then entered Kansas and the Southwest, but this affected chiefly hay, forage, and feed crops. Except in the drought areas, weather was nearly ideal for corn and soybeans throughout the growth of these grains, and maturity was somewhat earlier than usual. Sorghums were more affected by the drought in the Great Plains, but with the large crops of oats and corn, this was hardly a market factor.

As for price, we find that, despite loan programs and price supports, only beans are higher now than they were at the beginning of the year. Wheat has declined about 16¢ per bu, corn about 26¢ a bu, while oats are 10 to 12¢ cheaper. Even rye is down 17 to 19¢, which may prove surprising in view of the small yields, the 1952 crop having been the smallest since 1870. Only 1.3 million acres were harvested, and this accounted for most of the decline in production, which was 25% less than the year before. We are no longer a large rye-eating people, and only 44% of the crop was harvested for grain; the principal use of the crop in many states was for grazing and soil improvement.

We have had a long period of liquidation, but the market today acted sold out. There were modest recoveries all along the line, with several cargoes red wheat reported sold to Yugoslavia, but otherwise commercial business was rather quiet. The largest world wheat crop on record is expected for 1952-53. The 7.24 billion bu estimated for this season is 12% above the previous year. The sharpest increase is in North America owing to the fact that the U. S. had the third largest crop on record, and Canada its largest. However, importing countries have also had increased supplies and world trade in 1952-53 probably will be a tenth below the year before.

We look toward 1953 with renewed confidence. Our choice is between voluntary cooperation and compulsory operation. America's future progress will depend on which road we decide to travel. We shall rise to the challenge.

WE WISH YOU ALL A VERY HAPPY NEW YEAR.

UHLMANN GRAIN CO.